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Coverage, Commentary on Rio Group Caracas Summit

Perez Addresses End Session

PA1310022690 Caracas Venezolana de Television Canal 8 in Spanish 2309 GMT 12 Oct 90

[Speech by Venezuelan President Carlos Andres Perez at the conclusion of the fourth meeting of the Permanent Mechanism for Consultation and Political Coordination for Latin America of the Group of Rio, at the Teresa Carreno Theatre in Caracas—live]

[Text] Gentlemen, the Rio Group has agreed that this news conference should be hosted by the person who coordinated the fourth meeting of the Permanent Mechanism for Consultation and Political Coordination of the Group of Rio and by the president of the country to host the fifth meeting next year—Colombian President Cesar Gaviria. We could say, without exaggeration, that the meeting that has just ended has been the most constructive and fruitful of the four meetings of the Group of Rio presidents.

Certainly, the experience gained throughout these years and the circumstances the world and Latin America have been experiencing at the time of the fourth meeting constitute formidable incentives that enable us to now obtain very specific results from the work of the Permanent Mechanism for Consultation and Political Coordination. First, we agreed in a definite manner to form the Group of Rio on a Latin American level. Thus, Chilean President Patricio Aylwin and Ecuadoran President Rodrigo Borja attended. We agreed to invite one representative from a Central American country, an area president to whom the Central American group would entrust coordination actions. We also agreed to invite the Caribbean Community and Common Market [Caricom], or the prime minister chairing Caricom. Thus, in the future, the Group of Rio will consist of 13 participants, provided that, of course, that the Central American and Caribbean communities accept our invitation. I forgot to say that we also invited Bolivia and Paraguay to join the Group of Rio. We can say that this will be the definite composition of the Group of Rio.

Later, we made an in-depth and frank analysis—that is, we critically analyzed Latin America's integration process. We analyzed the institutional systems for the integration Latin America has. We reached a number of decisions, including.... [changes thought] We talked about the advisability of having Group of Rio representatives in the Study Group [Grupo de Reflexion], which was named by the OAS secretary general in line with the decision adopted by the OAS conference held in Asuncion, Paraguay, to meet in Washington to coordinate their actions regarding the proposals we will make on restructuring the OAS or the proposals the Study Group may make to the OAS.

In addition, we decided to ask our representatives at ALADI [Latin American Integration Association], the free trade association, the Latin American Integration Association [Perez corrects himself] to make a study within a brief period of time on the reforms or restructuring it feels this entity, which is basic for South American integration, needs. Later, we reviewed the topic of energy in-depth. In this field we agreed to back the proposal the Venezuelan president made at the United Nations to have a meeting of oil consumers and producers to find emergency formulas that will lead to stability in the oil market and confidence regarding oil supplies and prices.

We also agreed to assess the energy situation in Latin America to establish steps that can be taken to ease the impact of the Persian Gulf crisis, as well as the region's possibilities for oil self-sufficiency. Regarding this, we asked the Latin American Energy Organization, OLADE, to make an overall and immediate study of the region's oil reserves. We designated a three-month period to conduct this study.

In addition, we considered the possibility of creating a strategic investment fund, using profits from the increased value of raw materials, to encourage integration. Listen carefully, these resources are not only from crude oil price increases, but from price increases on basic Latin American raw materials as well. As was to be expected, the Initiative for the Americas, which has already been studied by SELA [Latin American Economic System], ALADI [Latin American Integration Association], and the Andean Group, was studied in depth to coordinate the actions of the Group of Rio member countries. At the same time, we noticed that the initiative presented by President Bush includes some actions related to the negotiations in Uruguay, which are very important for us and decisive in the future of our world trade.

We also made specific decisions regarding the Uruguay talks. We called on those takeing part to reach an agreement that will reflect the basic interests of developing countries. We proposed a meeting of the Latin American negotiators with the United States after regional consultation within the SELA framework to establish probable accords and to ensure that the Uruguay talks end successfully despite a probable and anticipated failure.

Another subject that was exhaustively [17-second break in transmission] by Brazilian President Collor de Mello. I have made these remarks because, as you know, Brazil's stance on environmental problems has been pointed out, particularly by the media in developed countries. President de Mello expressed to us the increasing concern of his country, which includes most of the immense expanse of Amazonia, over the environmental problems and the impressive measures they have adopted to guarantee for mankind, but first of all for Brazil and Latin America, this great environmental resource that is Amazonia.

We adopted several decisions, which are included in a separate agreement on environment reached by the

Group of Rio. These decisions are also related to the world conference on environment and development that will take place in Brazil in 1992. We expressed support for another important decision made in Brazil to enhance the importance of and protect river navigation. We announced two symposiums linked to expanding knowledge of the environment, which are described in the statement included as an annex. One of these symposiums deals with establishing communication via a fluvial network between the Amazon and Orinoco Rivers. The other symposium deals with communication between the Pacific and Atlantic Oceans. The need to expand our dialogue with the EEC was also studied.

Then, some important decisions were made.... [changes thought] Pardon me, I was forgetting something linked to the environment that is of world concern—drug trafficking. As was to be expected, we asked President Cesar Gaviria to present the topic. With frankness and doubtless anguish, because of what this problem represents for all of Latin America and the great significance it has in Colombia, we approved a document on drug trafficking that is annexed to this declaration. We gave it the relevance of a topic that merits a declaration. Then we received Mrs. Fujimori, who was sent by the Peruvian president, because he was unable to be present at this fourth summit for reasons that have already been explained by the international press. She came to stress the importance that the Peruvian president attaches to the Group of Rio and, through her presence, to express his solidarity. This also provided an opportunity for the group to prompt a cooperation agreement with Peru similar to what had already been reached by the Andean Group Presidential Council last 9 August.

We also had to refer to the support that the Group of Rio has given to the Children's Summit recently held recently at UN headquarters. We expressed our support and our interest in participating in Ibero-American summits that will be held in 1991 in Mexico, in 1992 in Spain, and in 1993 in Brazil. As you can see, they have symbolism in being selected as the three focal points of Ibero-America—Spain, Spanish America, and Portuguese America. That is why the three meetings are going to be held in that manner. It was agreed that the seat of the next meeting, as I said earlier, will be held in 1991 in Colombia, in 1992 in Argentina, and in 1993 in Brazil. [sentence as heard] In addition to this document, which sums up what was discussed at this meeting, there are annexes on the fight against drug trafficking, the environment, and the guidelines we have established to carry out the planned restructuring of ALADI.

Finally, the document drafted by the foreign ministers of the Rio Group spells out specifically the big problems of the world and Latin America and establishes positions on each of these topics. These are the fruitful results of this fourth summit of the mechanism for consultation and political coordination. In a few minutes you will receive all of these documents that I have briefly summarized. Thank you very much.

Perez, Gaviria News Conference

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[News conference by Venezuelan President Carlos Andres Perez and Colombian President Cesar Gaviria with foreign and local reporters, and an unidentified moderator, at the Teresa Carreno Theater in Caracas—live]

[Excerpts] [Moderator] Mariana Preciado, NOTIMEX.

[Preciado] President Perez, if you please, I would like to know when and how will the fund for the stabilization of raw materials be implemented? Will this mechanism guarantee oil supplies, at reasonable prices, to the countries in the region which lack this resource?

[Perez] Naturally, this is a complex issue which has never been tried before, not even in Latin America. We agreed to study this issue, and we have established an imminent deadline for the results of this study to be presented to us. We still cannot predict anything, but we must work quickly and find ways to guarantee an oil supply for all Latin American countries. This is part of the proposal I issued at the 45th UN General Assembly as president of Venezuela.

[Moderator] [Name indistinct] Hernandez, DPA.

[Hernandez] Good evening. I have one question for President Gaviria. I would like to know what contributions the Group of Eight is willing to make for Latin America within the framework of U.S. President George Bush's Initiative for the Americas, which is currently only a declaration of intent outlined in general terms? Thank you.

[Gaviria] The Initiative for the Americas is basically a White House initiative that, of course, has not been fully explained. The U.S. Congress has only discussed the bilateral debt issue. How has Latin American prepared for this? First of all, information has been exchanged at length, and the declaration clearly emphasizes that we are willing to permanently exchange views on the initiative.

Second, we have made some progress on the creation of a regional bloc so that we do not have to sign so many agreements with the United States and so that we may sign agreements as a group, in our case as members of the Andean Group.

Third, we are willing—as the declaration clearly states—to negotiate trade agreements among Latin American countries. ALADI [Latin American Integration Association] will be reorganized. The declaration has several specific points so that ALADI may adapt itself to the new situation created by the Bush initiative and the EEC. It is also necessary to work with the other American countries with the same pragmatism in which the Bush initiative is outlined, so that we may explore the possibilities of free trade.

The Group of Three—meaning Colombia, Mexico, and Venezuela—is currently exploring the possibilities of reaching a free trade agreement among its members.

[Moderator] Oscar Madrid, ANSA.

[Madrid] Good evening, Messrs. presidents. We feel that pragmatism has prevailed during this summit. Bearing in mind that the Uruguay round of GATT talks will conclude in eight weeks, what are the points on which Latin America is not willing to reach a compromise, and what are the points it is prepared to negotiate with the United States and the EEC? If you will allow me, the summit has prepared a special document on drug trafficking. Did you decide to carry out joint actions to regulate U.S.military actions, through the DEA [Drug Enforcement Administration], as did Mexico, Bolivia, Peru, and Colombia?

[Perez—turning to Gaviria] I will answer the first question and you can answer the second one.

[Gaviria] Okay.

[Perez] We will both answer. Referring to the Uruguay round of talks, each and every one of the presidents who attended the meeting, meaning the Group of Rio summit, were evidently interested in thoroughly analyzing the issue. We consider the results of the Uruguay round of talks to be essential for our countries' integration and participation in world trade.

The Latin Americans are affected by all kinds of protectionist policies—overt and covert—that are precluding Latin America's possibilities of trading with industrialized countries. First of all, we have agricultural products that are essential in our region and that are subject to discrimination—both overt and covert, like I said. Various methods are used to carry this out, including phytosanitary [fito-sanitarios] measures which should not pertain to our countries' agricultural products.

There are a series of other measures, including voluntary restrictions, which restrict Latin America's trading possibilities; and the dumping decisions adopted by EEC countries for Latin American products. In short, it would take too long to discuss the issue. Therefore, we agreed on several things. First, Latin American negotiators must maintain a stubborn, watchful, and assertive attitude so that the Uruguay round of talks does not fail, given the disputes which have occurred among industrialized nations.

Second, we must clearly advocate the elimination of all the restrictions which have existed for the trade of agricultural products between Latin America and industrialized countries. Also, we must learn about the United States' and Canada's positions—through a meeting with our negotiators and the negotiators of other countries—so that we may know about which ones we can and must agree with, and which ones we must disagree with. We must do the same with the EEC. Consequently, the Uruguay round of talks represents an essential priority for the Group of Rio because—as the journalist pointed out—its fate will be decided in a few weeks. President Gaviria?

[Gaviria] Concerning the drug trafficking question, I would like to say the following:

The declaration, which has been added to the presidents' declaration, clearly establishes that the entire Group of Rio rejects attempts to hold a group of countries—those that produce drugs or are transit countries—responsible for the drug trafficking problem. It clearly emphasizes the impact that the demand for drugs has on this problem.

The declaration demands that a multilateral approach be taken, and that the three existing United Nations agencies [not further described] be joined into one agency. It demands that the problem be treated multilaterally, especially in the criminal field, and that the possibility of preparing international criminal laws be studied.

We ask for support for Colombia's proposal for world conferences on drugs, highlighting the topics of money laundering and the trade of chemical products. The declaration calls for alternative development measures to be implemented. This refers especially to the U.S. Government initiative, called the Andean Initiative, that will give preferential treatment to a list of products from Andean countries strongly affected by the drug problem. Also, the declaration calls for the implementation of the European Community initiative, which will cover a list of products that will be given the same treatment as those covered by the [word indistinct] Convention.

[Moderator] (Valeriy Urensko) of Novosti Press Agency.

[(Urensko)] Good evening. I would like to ask two questions concerning the meeting that ended today. The first question is: Did you discuss relations with East European countries and the Soviet Union at this meeting? The second question is related to the first one. What importance was given to these relations in the context of world economic relations?

[Perez] We attached so much importance to this matter that it was included in the declaration approved by the Group of Rio and prepared by the foreign ministers of the countries that form this group. Its importance is also evident through actions already taken by the Group of Rio to establish relations with East European countries. As you know, because the media reported it at the time, the Group of Rio and East European countries have already held meetings. Even some bilateral actions have been taken. For example, Venezuela and Czechoslovakia are studying a joint venture [previous two words in English] to manage petroleum refineries and petroleum for Czechosklovkia and, possibly, other East European countries. Thus, this is going to be a very beneficial relationship. Other Latin American and Group of Rio countries are also making contact with East European countries to establish dyanamic relations quickly. We believe this is an important opportunity that will allow

Latin America to establish strong relations with these countries which are entering the free market and democracy. [passage omitted]

[Moderator] Jose Antonio Puertas of France Press.

[Puertas] President Gaviria, what should the role of the OAS in Latin America be now that the Rio Group seems to be assuming greater responsibility in determining the destinies and political goals of the countries in the region? Thanks.

[Gaviria] We discussed this today. The Colombian President was particularly insistent on it. We certainly will have to find a new role for the OAS. During a meeting in Punta del Este, it was agreed to create a study group with delegates from various countries to see what will become of the OAS in the future. Today the Rio Group agreed to hold a special meeting, with the cooperation of all the foreign ministers of the Rio Group, so that the various countries could discuss and determine the OAS role regarding regional security; how it can become a true political forum in Latin America, the United States, and Canada; and how it can help settle the regional conflicts, which should be its leading role.

Certainly, the OAS tasks, which we discussed today, are many. We agreed on the importance of exchanging views, as soon as possible, with this study group created within the organization and trying to turn the OAS into the political forum it should be and that it should not cease to be to the detriment of other objectives, such as technical cooperation or otherwise.

[Moderator] Joaquin Lopez Doriga of EL HERALDO of Mexico City.

[Doriga] Mr. Gaviria, today, when we commemorate the 498th anniversary of the discovery of Cristopher Columbus by America—this is how I understand it to be—has not too much time passed for the American countries to understand each other? There are already 13 member countries in the Rio Group. Does this large number of member countries not hamper the operation of a permanent consultation and consensus mechanism? Mr. Perez, why is Cuba not a member of the Group? Is it because Cuba chose not to be a member or because it was left out? Did this decision originate on the island or the continent? Thanks.

[Gaviria] Well, it is true that the increase in the number of Rio Group member countries can make consultations slower, longer, and a little costlier. We also must recognize, however, that the Rio Group's new configuration incorporates all of Latin America. This group is not just concerned about the biggest countries, the most experienced democracies, or the majority of the population. The Rio Group's final configuration enables us to say that what the group establishes or points out speaks for all of Latin America, the Caribbean, Central America, and all of the American democracies. This is something which we did not have and which we gained through the Rio Group.

Although dialogue or agreement may become a little costlier, we have made great progress in our ability to interpret Latin American reality without exceptions. When we talk on behalf of Latin America with the EC, the United States, ASEAN [Association of South East Nations] countries, or any other forum, we will be able to clearly explain all our situations. [Perez] I am sure that no Rio Group president will contradict me when I say that our country's most fervent wish is that the 30-year confrontation between the United States and Cuba would come to an end. They also hope that Cuba will join the inter - American system. All Latin Americans feel and think this way. In this respect, we have conveyed our voice and message to the top U.S. and Cuban leaders. We still do not feel optimistic about this, yet we must keep trying to reach a solution through the path of Cuba's absence from our region. [sentence as heard] This is another topic to discuss on certain occasions, as it can have the opposite effect of what we want, which is to find a solution to the problem of Cuba.

To conclude, I would like to add something to what President Gaviria said. There seems to be some confusion regarding a number of these integration measures. They seem to be contradictory to or detract significance from Latin America's integrationist will and action. That is not the case. What we have found is that institutional methods of integration alone will not help us achieve this goal. Instead, we must combine a number of attitudes and activities, such as bilateral agreements. However, bilateral agreements must be reached with multilateral agreements or Latin American integration in mind. Groups like ALADI, the Andean Pact, or SELA [Latin American Economic System] work from different standpoints but with the same goal, that is, integration. In the political field, the OAS is where the representatives of two regions—the northern region made up of the United States and Canada; and the southern region, made up of our countries—can sit down together. The OAS must serve as the round table where we will make our agreements and settle our differences. Thus, the Rio Group becomes a consultation and coordination group for the southern region—that is, that area south of the Rio Grand. This way, we can approach major discussions in this hemisphere with specific and coordinated actions. I see no contradiction at all, nor do I think that the Rio Group will be a small OAS. Instead, the Rio Group may perhaps be the one to modernize and give more strength to the OAS. [passage omitted]

[Moderator] Isabel Castanon from PANAMA LIBRE.

[Castanon] Good evening. President Gaviria, I represent a nationalist and democratic Panamanian newspaper. Colombia borders Panama and has many common interests with Panama. Given the fact that Contadora was a political institution, which in some way led to the creation of the Rio Group, today it is painful to see that Panama has lost its membership in this group. General Omar Torrijos, President Alfonso Lopez Michelsen, and President Carlos Andres Perez extensively discussed the fate of Panama and its main resource, the canal. Does

Colombia not fear that the isolation sought by President Guillermo Endara by saying he is not interested in joining the Rio Group weakens the fulfillment of the Torrijos- Carter Treaties in the future because of Panama's increasing alignment with the United States? Some ultra right-wing groups even speak of a new commonwealth like Puerto Rico. Thank you.

[Gaviria] First, I want to say that the Latin American countries support the Torrijos-Carter Treaties, and I do not believe that such risks exists. Latin America is on the lookout to prevent this from happening; it wants the Torrijos-Carter Treaties completely fulfilled. I believe that Panama has somehow lost its interest in belonging to the Rio Group. If it wants to return, it would be returning under the same conditions as other Central American countries. Today there is no reason to allow Panama to join the Rio Group and not to allow Costa Rica or Guatemala. I believe the solution we have provided for all countries of the continent to be represented in the Rio Group is satisfactory. There are other Central American countries with the same rights that would like to be present. I believe the representation achieved through the Central American organization is sufficient and we all feel that way. [passage omitted]

[Moderator] Eduardo Caliche from Ecuador. [pause] Marta Lopez from Ecuador.

[Lopez] A question for the Venezuelan president. The energy problem has been discussed in this summit with the object of seeking solutions for the future. Since Venezuela is one of the big oil producers, what will it do with its surplus production and how will it help nonoil-producing Latin American countries?

[Perez] I have been very specific about this issue. I discussed it at the summit. We are concerned, and we are not pleased about this dangerous and speculative increase in oil prices. We have always said that our raw materials, our basic resources, must have fair prices. We have never believed in speculative prices; therefore, this concerns us and we have adopted all the proper measures to achieve an equilibrium in the world oil market. This was included in my proposals and was accepted by the Rio Group. We are now proposing solutions in the Latin American region through the OLADE [Latin American Energy Organization], which is the Latin American Energy Organization, so that we can find a solution to this problem. We hope to find one. At the international level, we want a meeting between the International Energy Agency, which includes the 20 biggest consumers in the world, and OPEC, which includes the main oil exporting countries, so that we can achieve an equilibrium.

In our region, we have the San Jose Pact, which does not include all the countries, but includes the ones that need the most cooperation: the Central American and Caribbean countries. We have now made a provisional amendment to the San Jose Pact to account for this situation and we are going to finance a portion of the speculative increase in the current oil prices. However, we are still not satisfied. We must reach firmer agreements that can guarantee the supply and fair price of oil for consumers and producers. [passage omitted]

[Moderator] To conclude the news conference, Jairo Gomez, Radio Caracol, Colombia.

[Gomez] Well, I have been left very little to ask about. Messrs. presidents, it is clearly thought that the United States shows its interest in the Latin American area through the Bush initiative. What makes you think this when a much more interesting market, meaning the Eastern Europe market, has opened for the United States?

[Gaviria] No, the Eastern Europe market is not more important than the Latin American market; on the contrary, the Latin American market is a much bigger market, quantitatively and qualitatively speaking. The total population of Eastern Europe is, I believe, approximately 130 million people, less than the population of Brazil. Brazil alone has a greater population than all of Eastern Europe.

Of course, if we are going to talk about a market and about the Latin American market as a whole, we might add that—as a market—it can be even more important. If we include the Soviet Union within those possibilities and if we add its population, Latin America's population would still be superior. Also....[changes thought] and we are a natural market while the others are a distant market, separated by almost two continents. Therefore, if we talk about a long-term perspective, I am sure that Latin America is a much more important and much bigger market with a much better future and many more possibilities than the Eastern Europe market.

[Perez] President Gaviria's reply is convincing and, we might add, it is almost graphic; but it is appropriate to expand on this. Latin Americans must reflect on what is happening to us. There is a certain inferiority complex and a certain cultural colonialism in the Latin American attitude that undermines our confidence in ourselves. Therefore, we always seem to be expecting favors and contributions. Well, enough of that.

The Latin Americans are aware of what we are, of our worth, and of what we will do in the world. We do not have to ask for anything or be afraid of what may happen around us. We should objectively and intelligently analyze the different events that are taking place in the world. Eastern Europe will never be our rival; on the contrary, it has become a source of new relations and new possibilities for exchange.

The United States—if it ever said that—cannot think of us as its backyard; it cannot consider us an undesirable neighbor. We are now necessary because the Western Hemisphere must play an important role against the EEC, which may become a European federation in the future; against Southeast Asia; and against the new realities of the world economy and trade.

This market of 400,000 inhabitants, as President Gaviria said, is not only a market that cannot be scorned; it is also the market with the largest capability, as far as raw materials are concerned; with the largest capability in the developing world, as far as human resources are concerned; and it is the market, or the region, that is closest to achieving the development which exists among developed countries.

This makes us an essential driving force in the new world that is taking shape. Therefore, we must reflect on our worth and what we are, so that we do not fall victim to complexes which, unfortunately, caused so much damage in the past.

[Moderator] We thank you for your presence. Presidents Cesar Gaviria's and Carlos Andres Perez' news conference has ended. Good evening and thank you for your attention.

Menem's Statements Cited

PY1210214890 Buenos Aires Domestic Service in Spanish 1600 GMT 12 Oct 90

[Report by Silvina Martinez Porta from Caracas]

[Excerpt] We will now continue with the last part of the news conference that President Menem granted to journalists who accompanied him to this summit. Some of President Menem's comments here in Caracas have had repercussions in Argentina. The president said that Argentina will entirely [word indistinct] the price of oil in January 1991. According to the Venezuelan press agency VENPRESS, however, Argentina is preparing to join OPEC.

President Menem's explanation about the talks held this morning follows:

[Begin Menem recording] You all know very well that we are reaching the end of a process deregulating oil-production activities. We are visiting secondary areas and central areas, and it is possible that Argentina, which is now a country that possesses oil, will become an oil-producing country. This is a possibility, but it does not necessarily mean that Argentina will join the group of oil-producing countries. We will simply see how the exploitation of hydrocarbons in the Argentine Republic will change our situation. [end recording]

Regarding Bush's Initiative for the Americas, President Carlos Menem said that there is a consensus on this proposal at this summit. He also said that, less than 10 days ago in New York, Italian Foreign Minister Gianni de Michelis expressed an interest in meeting with the Rio Group member countries to discuss the possibility of presenting an EC proposal for Latin America similar to that of President Bush. We have been told that the meeting with De Michelis could be held in Geneva in November.

As for political topics discussed during the news conference, President Menem regretted the difficulty being experienced by the Radical Civic Union in updating its concepts and behavior. He added, however, that he did not want to discuss the subject too extensively because it refers to another party's internal problems. He said that there are always stupid people—this is the term he used—criticizing him for always being out of the country and added that these people are living in a completely different world.

Finally, Menem commented on Pinochet's visit to Argentina. Menem asserted that Argentina is a free country where everyone enjoys broad freedoms. He noted that the former Chilean president has had no problem with Argentina and that there is no reason to repudiate the man who is currently commander in chief of the Chilean Army. [passage omitted]

Report on Summit Declaration

PA1310015690 Hamburg DPA in Spanish 2110 GMT 12 Oct 90

[Text] Caracas, 12 October (DPA)—The Group of Rio summit in Caracas ended today with a call to bolster the regional integration process, and with proposals for more equitable economic and commercial relations to be established between Third World countries and powerful industrialized countries.

The presidents of Argentina, Brazil, Colombia, Chile, Ecuador, Mexico, Uruguay, and Venezuela indicated that the Initiative for the Americas of their colleague in the United States was evidence that the United States wanted to improve its relations with countries in the region.

They said, however, that the amounts offered in George Bush's initiative were "insufficient." The initiative proposes the formation of a commercial free zone over all of the continent, and a reduction in the debt that some countries in the region have with the United States Government.

The fourth summit of the permanent mechanism for consultation and political dialogue [mecanismo permanente de consulta y concertacion politica] started on 11 October, with the participation of Presidents Carlos Menem (Argentina), Fernando Collor de Mello (Brazil), Cesar Gaviria (Colombia), Patricio Aylwin (Chile), Rodrigo Borja (Ecuador), Carlos Salinas de Gortari (Mexico), Luis Alberto Lacalle (Uruguay), and Carlos Andres Perez (Venezuela).

Peruvian President Alberto Fujimori did not travel to Caracas because he did not get the Peruvian Parliament's authorization to leave the country. He was represented at the meeting in Caracas by his wife, Susana de Fujimori.

The group emphasized its role as a valid spokesman for the region with other groups of countries in other

regions; however, the group indicated that the inter-American system must become more dynamic, one in which all the countries in the hemisphere can participate.

The presidents proposed a meeting between Latin American negotiators and the United States and Canada to find points of agreement in the Uruguay round of GATT negotiations.

Mexican President Carlos Salinas de Gortari had previously warned of the danger of a "commer .ial war" if no agreement is reached in the GATT negotiations.

The eight presidents requested the lifting of tariff and nontariff barriers and an end to agricultural subsidies.

Regarding energy, one of the main points on the agenda, the Group of Rio, which will hold its next summit in Colombia in 1991, proposed developing an initiative to soften the impact of world conflicts on the region.

The Group thus alluded to the crude oil price hike since the beginning of the Persian Gulf crisis, which has placed several area countries in financial difficulty.

Referring to integration, the presidents expressly supported the objectives of the Latin American Integration Association [ALADI], to which the nine Group of Rio member countries belong, plus Bolivia and Paraguay.

Chile and Ecuador participated in a Group of Rio summit for the first time. The presidents had planned to invite Bolivia and Paraguay to join the group.

On taking a stand on Ceatral America, the Group of Rio hailed the dialogue between the government and the rebels in Guatemala.

Concerning the environment, the Group of Rio urged taking measures against the world ecological imbalance. The Group member countries said, however, that the greater efforts in this direction should come from the industrialized countries.

Next Group Meeting Scheduled

PA1310035890 Paris AFP in Spanish 2335 GMT 12 Oct 90

[Report by Humberto Marquez]

[Text] Caracas, 12 Oct (AFP)—On concluding their working sessions in Caracas today, the presidents of the Group of Rio—formerly known as of the Group of Eight—made decisions to change Latin America's political and economic life, thus exceeding the expectations that the meeting would be merely to compose a final statement.

Both Argentine President Carlos Menem and Uruguayan President Luis Alberto Lacalle said that they are "extremely satisfied with this fruitful summit where problems were approached from a practical point of view and with a willingness to find solutions."

The presidents who met in the fourth Group of Eight summit, or "Permanent Mechanism for Consultation and Political Coordination," ["mecanismo permanente de consulta y concertacion"] were Menem, Lacalle, Fernando Collor de Mello of Brazil, Cesar Gaviria of Colombia, Patricio Aylwin of Chile, Rodrigo Borja of Ecuador, Carlos Salinas de Gortari of Mexico, and Carlos Andres Perez of Venezuela, who hosted the meeting. Peru was represented by Foreign Minister Luis Marchand because the Peruvian congress refused to approve Peruvian President Alberto Fujimori's request to leave Lima.

The presidents, determined to implement their plans to become "the political arm" of regional integration, agreed to invite Bolivia, Paraguay, a Central American country (probably Guatemala), and another from the English-speaking Caribbean (surely Jamaica), to join the group.

The presidents also agreed to accelerate political consensus and bilateral economic integration via subgroups of countries, a policy illustrated today by meetings between Mexico, Colombia, and Venezuela (a group of three), and Ecuador and Brazil.

A joint statement reflected the group's stance regarding the region's main problems. As the debates progressed and they found considerable consensus, however, the presidents agreed to separately set down several initiatives:

—A statement of reaffirmation and faith in the possibilities of Latin America and the Group (which includes more than 90 percent of the Latin American territory, population, GNP, and trade).

—A recommendation for a commission of notables, former presidents, or personalities of this level, to examine in-depth the inter-American system and the role of the OAS.

—An assignment for a group of expert jurists to draw up a sort of criminal code that can be enforced as supranational legislation to combat drug trafficking and to promote this legislation at the United Nations and other forums to increase the number of the international anti-drug laws.

—An assignment for Collor de Mello to outline the group's collective stance on environmental problems, stressing the responsibility of the industrialized countries as the leading polluters.

—The decision to reinforce regional defenses against the impact of an energy crisis on their economies, such as has been unleashed by the Persian Gulf conflict, accepting as good the idea for a raw materials stabilization fund and entrusting the Latin American Energy Organization [Olade] with finding ways to tackle such a undertaking.

In their central document, the presidents advocated international peace, condemned—without naming any

countries—the invasion of Kuwait by Iraq, and declared the region's economic integration a "need that cannot be postponed."

Within this integration framework, the presidents hailed, as a "positive proposal," the Initiative for the Americas by President George Bush (creating a free trade zone in the hemisphere, encouraging investments, and alleviating the region's foreign debt) and asked the region to "approach debt realistically."

This determination to "approach realistically" the region's problems was the master pattern of the summit and was underlined by the pragmatic nature of all of the attending governments, despite their diverse ideological postures.

The meeting concluded with the signing of the document, a news conference (to explain the scope of the document to more than 350 reporters present), and a party that Perez offered to his distinguished guests.

The next Group of Rio summit, with 13 presidents attending (and Panama suspended for an indefinite time) will be held in Colombia in 1991.

Central American Presidents Support Cease-Fire

PA1310125290 San Salvador Canal Doce Television in Spanish 0300 GMT 11 Oct 90

[Text] Four Central American presidents have expressed their support for President Alfredo Cristiani's initiative to establish a cease-fire with the FMLN [Farabundo Marti National Liberation Front]. The presidents of Costa Rica, Rafael Calderon; Nicaragua, Violeta Chamorro; Guatemala, Vinicio Cerezo; and Honduras, Rafael Callejas, signed on 9 October the document which they released in their respective countries. In the document, the presidents reiterate their demand for the FMLN to unilaterally establish a cease-fire as soon as possible to create a favorable atmosphere for a peaceful and democratic solution to the Salvadoran problem. In the document, the presidents describe the Salvadoran armed conflict as an obstacle to Central American peace and security; therefore, they demand an end to the war.

Weekly Media Roundup on Regional Drug Seizures

PA1510125590

[Editorial Report] The following is a compilation of reports on drug seizures and arrests related to drug trafficking in bureau coverage area from 4-14 October. Sources follow in parentheses after each item.

Colombia

The police destroyed 15,000 coca plants and dismantled two cocaine processing laboratories in Leyva municipality on 3 October. There were no arrests. [Bogota EL NUEVO SIGLO in Spanish 4 Oct 90 p 24]

The Colombian Army discovered a cocaine processing laboratory in a house in the Prado neighborhood in Medellin on 8 October. The soldiers arrested Faber Posada, Melba de Jesus Gomez, and Guillermo Manuel Rios. They also confiscated 16 kg of cocaine and nine kg of heroin. [Madrid EFE in Spanish 0126 GMT 9 Oct 90]

The police confiscated 38 kg of cocaine and arrested two people in the international cargo section of Bogota's Eldorado airport. [Bogota EL NUEVO SIGLO in Spanish 11 Oct 90 p 24]

The police in Cali discovered a cocaine processing laboratory in Villa Colombia neighborhood in the past few hours. Adolfo Fuertes Munoz, Jaime Martinez Garcia, and Olmedo Lula Martinez were arrested. [Bogota Radio Cadena Nacional in Spanish 1200 GMT 14 Oct 90]

Costa Rica

Members of the Rural Police discovered a plantation of approximately 1,000 marijuana plants in La Coiba de Changera in Puntarenas Province. The owner of the farm was arrested. [San Jose LA NACION in Spanish 4 Oct 90 p 10A] Ecuador

The Army General Command has reported that soldiers on routine land and river patrol in Napo Province found and destroyed a clandestine warehouse belonging to Colombian narcoguerrillas. Seventy drums of acetone and 20 sacks of caustic soda were stored inside the warehouse. [Quito Radio Quito in Spanish 2300 GMT 11 Oct 90]

Guatemala

Treasury Police Director Cesar Rivera Claveria reported on 8 October that Guatemala's security forces have taken control over 2,000 clandestine airstrips to prevent their use by international drug traffickers. He added that most of the airstrips are located in southern Guatemala. [Madrid EFE in Spanish 0241 GMT 9 Oct 90]

Mexico

Federal Judicial Police [PJF] Narcotics agents in Tamaulipas State confiscated 432 kg of cocaine paste in Aldama and Soto La Marina municipalities. A light plane used to transport drugs from Tabasco State was also seized. The drugs, destined for Texas, had entered the country by land from Guatemala. The PJF arrested Joaquin Lozano and Rodrigo Alvarez in Aldama and Hector Rocha, Juan Manuel Alvarez, and Ernesto Tromposo in Soto La Marina. [Mexico City XHTV Television in Spanish 0200 GMT 9 Oct 90]

Narcotics agents have seized 53 kg of pure cocaine and arrested three suspected drug traffickers in Vergel, Tamaulipas State. In another operation, members of the Attorney General's Office seized 284 kg of cocaine in Ensenada, Baja California State and arrested four people. The drugs were destined for Los Angeles. [Mexico City XHTV Television in Spanish 0200 GMT 10 Oct 90]

In the past 15 days, the Mexican Army has destroyed 493 marijuana fields and 115 poppy fields in San Dimas municipality and Pueblo Nuevo municipality in Durango State. The PJF reported that five hectares planted with poppy plants were destroyed in the municipality of Durango. [Mexico City NOTIMEX in Spanish 1656 GMT 14 Oct 90]

Panama

Customs officials arrested Mexican citizen Soledad Hernandez and Argentine citizen Harry Lopez, whose real name is Alberto Gianelli, at Tocumen international airport on 7 October. More than four kg of cocaine were found in their luggage. They had arrived on an Ecuatoriana flight from Quito and were traveling to Los Angeles. [Panama City CRITICA LIBRE in Spanish 9 Oct 90 p 40, 22]

Customs officials arrested Colombians Francisco Javier Salver and Julio Mario Lopez when 700 grams of cocaine were found in their suitcases when they arrived in Panama aboard an Avianca Airline flight bound for New York. The two men also confessed they had swallowed 146 fingers of surgical gloves filled with cocaine. They were then taken to Santo Tomas hospital to have their stomachs pumped. [Panama City EL SIGLO in Spanish 13 Oct 90 p 18]

Venezuela

General Maneul Ibedaca Romero, commander of the Armed Forces of National Cooperation, reported on 8 October that 104 kg of cocaine were seized in a house in Maracay and five Venezuelans were arrested. He also reported that Dominican citizen Tomasina Rosa Valerio was arrested at the Maiquetia international airport when two kg of cocaine were found in her suitcase as she was taking an Avensa Airline flight to Miami. Authorities also found 22 kg of cocaine in a lavatory in a Pan American Airline plane bound for Miami. [Madrid EFE in Spanish 0156 GMT 9 Oct 90]

Cuba

Foreign Ministry Urges Condemnation of Israel

FL1310012790 Havana Television Service in Spanish 0009 GMT 13 Oct 90

[Statement issued by the Ministry of Foreign Relations in Havana on 12 October—read by announcer]

[Text] Since 8 October, violent demonstrations have been taking place in Jerusalem and other Palestinian cities occupied by Israel. So far, they have cost the lives of over 30 people. Hundreds of others have been wounded—victims of savage repression by the Zionist occupation army.

The Palestinian intifadah, with its painful offering of martyrs, is again showing the world the resolve of a people determined to fight for their independence against those who invaded their homeland, who are seeking to annex it to Israel, and who are denying Palestinians the most elementary civil rights.

For the past several days, the UN Security Council has been debating this question and analyzing a draft resolution presented by several nonaligned countries, which deplores Israel's actions and calls for an investigation of the latest events in Jerusalem and other cities.

The United States has used a variety of dilatory maneuvers to hinder the actions of the Security Council in an obvious effort to avoid vetoing the resolution condemning the Zionist crimes, as it has done on 81 other occasions. This attitude by the U.S.—which is in contrast to the agility that the United States displayed when mobilizing the Security Council to condemn and to impose sanctions on Iraq—irrefutably demonstrates the double standard characteristic of Yankee diplomacy, and that our country has denounced on many occasions.

Those who hastily drafted resolutions that supported the massive deployment of their troops and materiel in the Gulf and created a situation that could have catastrophic results if war breaks out, do not show such energy today when defenseless Palestinians are being killed. Moreover, they are trying to protect Israel, their traditional strategic ally in the area.

The Cuban Ministry of Foreign Relations again condemns the killings that are taking place in the occupied Palestinian territories, reiterates its solidarity with the Palestinian people's intifadah, and urges the international community, particularly the members of the UN Security Council, to assume its responsibilities and condemn the Zionist barbarity against the defenseless Palestinian citizens.

Ambassador to UN Comments

FL1310115990 Havana Tele Rebelde Network in Spanish 1100 GMT 13 Oct 90

[Text] After several days of debates, consultation, and dilatory actions by the United States, the UN Security Council unanimously approved a resolution condemning Israel for the atrocities committed in Jerusalem which resulted in numerous deaths and wounded among the Palestine population. Explaining the vote in favor of the resolution, Cuban Ambassador Ricardo Alarcon de Quesada noted that the sanction against Israel took place after the entire world had condemned the massacre and called for the Security Council to take action on the matter.

Despite recent remarks made by those who speak of a new era in the council saying that the council would be concerned and involved in the problems of the whole world, this week was decisive for us in realizing that such statements confirm an overly optimistic view of reality, said Alarcon. Finally, the Cuban ambassador said the results of the secretary general's investigative mission in the occupied Arab territories, also approved in the resolution, will ultimately determine if the action was in line with international law.

According to what was agreed, the UN secretary general will have to submit a report on the result of those investigations this month. Nevertheless, observers believe that the implementation of this last part of the resolution could be affected by the stubbornness of the Israeli Government which says that no investigative mission, even from the United Nations, will enter the occupied territories.

Moiseyev Visit Portrayed as Proof of Strong Ties

PA1410174390 Havana International Service in Spanish 0000 GMT 13 Oct 90

[Commentary by Roberto Morejon]

[Text] The enemies of the Cuban Revolution and those who hail the fall of socialism in Eastern Europe are betting on the imminent fall of Castroism, as they call the popular process began in Cuba in 1959. They are predicting that Cuba will go bankrupt because of the alleged break in the strong ties between Cuba and the USSR.

It is well known that 70 percent of Cuba's foreign trade is with the USSR. When the USSR cut off some supplies and delayed sending others, there were difficulties in Cuba's domestic market. According to some counterrevolutionaries living in Miami—some with their suitcases packed ready to return to Havana—Moscow will reduce its ties with Cuba until the island chokes to death.

The recent visit to Cuba by the Chief of Staff of the Soviet Armed Forces, Army General Mikhail Moiseyev; his statements; and his high-level meetings here disconcerted the Miami prophets of doom. General Moiseyev

told reporters: We are faithful today to the roots of our friendship and especially to the commitments and agreements with Cuba after President Mikhail Gorbachev's visit to Cuba. These commitments concern economic, political, and military relations. There is a deficit in the supplies of oil and many other industrial raw materials from the USSR; however, Cuba is aware that the Soviet Government is making efforts to fulfill its bilateral commitments, despite the economic, political, and social problems the USSR is facing.

President George Bush wants to profit from those problems and is demanding that Moscow join the blockade against Cuba in exchange for more financial aid.

General Moiseyev's statements in Havana regarding Soviet solidarity with Cuba must have displeased those who are hoping for exactly the opposite to happen.

Soviet Soldiers Awarded Seal

FL1310180090 Havana Radio Rebelde Network in Spanish 1700 GMT 13 Oct 90

[Text] A group of Soviet combatants from the No. 12 school received today the FAR [Revolutionary Armed Forces] Vanguard Seal at the foot of the mausoleum in honor of the Soviet internationalist soldier. Major Alberto Marrero Fernandez, chief of the UJC [Union of Young Communists] section of the FAR's main political directorate, told the award winners:

[Begin Marrero recording] Our endless appreciation goes to the Soviet people for the help offered for the defense and economic and social development of our country. Cubans do recognize true friends and are faithful to them. [end recording]

Division General Joaquin Mendez Cominche and other Cuban and Soviet officers were present at the event.

Ships Unloaded in Record Time

FL1210180590 Havana Tele Rebelde Network in Spanish 1700 GMT 12 Oct 90

[Text] When the 30th anniversary of the establishment of trade relations between Cuba and the USSR was marked last year, trade between the two countries surpassed 30 million tons, excluding fuel. In these three decades, Soviet and Cuban sailors and port workers established the friendship bridge through a special emulation which speeded up cargo loading and unloading activities in our country.

It is estimated that over 200 Soviet ships arrive in Cuba every year and that the gross pace at which the port workers worked grew by 30 percent. This parameter that measures port efficiency shows the physical time needed to operate a ship from the time it arrives until it leaves.

Nowadays, most of the Soviet ships are unloaded within the scheduled time and, in many cases, ahead of time. This is not only the opinion of Cuban port workers, it one also shared by Soviet sailors.

[Begin recording] [Unidentified reporter] Have port operations improved in Cuba?

[Valery Matiujin, captain M/N Konsomol Latvin, identified by caption, speaking in Spanish] Yes, I agree. Considering my 17 years of work here, I can say that the unloading work is done better now than before.

[Reporter] Traffic between Cuba and the Soviet Union has been considered a friendship bridge.

[Matiujin] Yes, I agree with you. I can say that we now have not only a bridge of friendship but of brotherhood. [end recording]

Rodriguez's Talks With Spanish Premier Reported

FL1210234990 Havana Radio Rebelde Network in Spanish 2304 GMT 12 Oct 90

[From the "Exclusivo" program]

[Text] The Madrid newspaper, EL PAIS, today published a front-page article on the meeting held between Felipe Gonzalez, head of the Spanish Government, and Carlos Rafael Rodriguez, Cuban vice president. The newspaper quotes some statements made by the Cuban leader and reported by the Spanish news agency, EFE.

According to the article, Carlos Rafael said that relations between the two countries are normal. The Cuban leader also said that representatives from both countries are holding talks to set a date for the next joint Spanish-Cuban commission meeting. According to the EL PAIS version of the EFE report, Carlos Rafael Rodriguez said, verbatim: The commission will discuss pending problems, and I am convinced that they will be resolved.

Regarding his meeting, the Spanish newspaper reports that Carlos Rafael Rodriguez also said that the tone of the talks was the same as always, and that he spoke very openly about mutual relations. He added that as proof of this, the talks dealt with the existing problems between the United States and Cuba, the situation in general in Latin America, and only as the last topic did they discuss bilateral issues.

Bush Initiative at Rio Group Summit Viewed

PA1310143890 Havana International Service in Spanish 0100 GMT 11 Oct 90

["Our America" commentary read by Manolo Ortega]

[Text] Practically at the threshold of a new summit meeting of the Rio Group, the presidents of Argentina, Brazil, Colombia, Uruguay, Mexico, Peru, and Venezuela will meet in Caracas to discuss political and economic matters of fundamental importance to their countries. This fourth summit of presidents of what was originally called the Group of Eight, from which the Panamanian nation was excluded in 1988, has a busy agenda. Foremost on the agenda is the so-called Initiative for the Americas proposed by the United States and

described as the antithesis of Latin American integration. It is important to note this, because for a long time, almost since this group of countries was founded, economic integration has been a fundamental topic in conversations and agreements. Although some of these agreements have been carried out, there is still a lot more to be done. The current summit of the Rio Group will be held amid strong neoliberal economic currents, with privatizations and lifting of customs barriers that will benefit multinational companies supported by the United States through the initiative launched by President Bush.

The aforementioned proposal, as it is known, is based on the establishment of free trade with Latin American and Caribbean countries; however, this means greater control by the United States of the regional economy. If the region accepts the initiative, superior U.S. technology will compete with the inferior Latin American technology, which will always be at a disadvantage.

Then there is the foreign debt. President Bush proposed the reduction or elimination of tariffs in diverse commercial fields and a pardoning of 70 percent, of $12 billion, of the official foreign debt of the Latin American and Caribbean governments. This is another trap. Those $12 billion are an insignificant amount compared to the enormous external debt of the Latin American area, which amounts to more than $430 billion. [figures as heard] Since this is a difficult topic, which will be broached by the presidents in Caracas, it is advisable to be alert to the outcome of the summit.

Varied and serious topics will also be studied by the chiefs of state of the Rio Group, including the oil issue marked by the high prices that affect the economy of many countries; this issue may take up hours of conversation. Other issues that are expected to be discussed are the situation in Central America; the formal admission to the Rio Group of Chile and Ecuador, whose presidents will attend the Caracas summit; and Bolivia's request for admission. Many people think that despite the Initiative for the Americas, the most advisable thing for the countries to do is to seek paths of regional integration that will respond to their respective particularities. An abrupt opening toward the multinational companies could cause serious economic and social conflicts. Also, the privatizations that are already under way in some countries are causing the first headaches in that respect.

Carlos Aldana Discusses Crisis Impact on Culture

FL1310004690 Havana Radio Rebelde Network in Spanish 2308 GMT 12 Oct 90

[Report by Angela Soto Gobian on the "Exclusivo" program]

[Text] The two-day national meeting of the People's Councils of Culture ended this afternoon with a special speech by Carlos Aldana, member of the Secretariat of the Central Committee of the Communist Party of Cuba [PCC]. The event was sponsored by the Culture Ministry, and it took place at the Hotel Atlantico in Santa Maria del Mar in Havana. The meeting was attended by 250 delegates from throughout the country.

Aldana spoke after PCC Central Committee member Sergio Corrieri and Culture Minister Armando Hart.

Corrieri said that Cuban culture has always been the fatherland's shield which defends and protects us. He noted the importance of culture in the country during the urgent moments of the special period.

For his part, Hart analyzed the delegates' work in the three working sessions they had. He said that dialogue has no limits and they must turn to dialogue to question views.

In his speech, Aldana said:

[Begin Aldana recording] In the times in which we live, it is in style to question everything. I have no doubt that there are some people who question our meeting to discuss culture while we are on the threshold of a special period. The first thing that must be questioned is that form of questioning because it indicates great ignorance. Perhaps this meeting was very necessary, or even more necessary, precisely because we are on the threshold of a special period. This exchange of views, of what is to some extent a generalization of our past experiences, and this review that we have done for the purpose of perfecting—within the spirit of change, rectification, and progress that is characteristic of the preparations for the Fourth PCC Congress.... [changes thought] It is precisely from this perspective, from the perspective that in the future, and actually in the present, we will face very serious difficulties which appear likely to worsen in the immediate future and for which we should prepare ourselves. [end recording]

Pyongyang Rally for Cuban Delegation Held

FL1310143790 Havana Radio Reloj Network in Spanish 1401 GMT 13 Oct 90

[Text] Pyongyang has been the setting of a large rally to salute the Communist Party of Cuba [PCC] delegation attending the festivities marking the 45th anniversary of the founding of the Korean Workers Party. [Name indistinct], member of the party's Politburo and secretary of the Central Committee, said the Korean people rejoice over the successes the Cubans are achieving through their revolution despite the economic blockades and the aggressive maneuvers of Yankee imperialists.

For his part, Julio Camacho Aguilera, member of the PCC Politburo and head of our country's delegation to the festivities marking the anniversary of the Korean Workers Party, praised his hosts' correct course toward independent and peaceful reunification. He also noted the Cuban support to the Korean Workers Party's demands the withdrawal of foreign troops and nuclear weapons from southern Korea.

DPRK Ambassador Marks Anniversary

FL1310021090 Havana Television Service in Spanish 0000 GMT 13 Oct 90

[Text] The perfecting of socialism and the reunification of the homeland are the two priority tasks of our party, Pak Chung-kuk, DPRK ambassador said today during a press conference. In a meeting with local journalists, the diplomat said that the date 10 October was of twofold importance, first because the Workers Party of Korea was founded on that date 45 years ago, and because on that date in 1980, President Kim Il-song proposed the creation of the Korean confederated republic.

Thanks to the existence of the party and its revolutionary ideology, our people have been proceeding with the construction of socialism, the ambassador said. As for the confederated republic, he said that it would be based on recognition of, and tolerance for the existence of different regimes and ideologies in North and South Korea.

Ambassador Pak Chung-kuk also emphasized the high level of cooperation existing between the peoples of Cuba and the DPRK, and the constant development of their relations.

DPRK Trade Minister Arrives

FL1510122690 Havana Tele Rebelde Network in Spanish 1100 GMT 15 Oct 90

[Text] Kim Tal-hyon, first vice premier and foreign trade minister of the DPRK, arrived in our country by air to participate in the 14th meeting of the Commission for Consultation and Scientific-technical Cooperation between Cuba and the DPRK that begins in Havana City today.

The high-ranking leader was received at the Jose Marti Airport at Rancho Boyeros by Lionel Soto, vice president of the Cuban Council of Ministers, and by Cuban Foreign Trade Minister Ricardo Cabrisas.

Central Committee Official Salutes FMLN

FL1210181590 Havana Tele Rebelde Network in Spanish 1700 GMT 12 Oct 90

[Excerpts] After the 10-year uninterrupted struggle against pro-imperialist governments, the Farabundo Marti National Liberation Front [FMLN] symbolizes the unyielding spirit of the Salvadoran people. [passage omitted]

On this 10th anniversary, the Cuban revolution reiterates once more its militant solidarity with the Salvadoran people and its most authentic revolutionary force, the FMLN.

[Begin Manuel Pineiro Losada, member of the Communist Party of Cuba Central Committee, identified by caption] In addition of achieving uncontested triumphs in the military, political, and diplomatic arenas, the FMLN is for us the ingredient of faith and hope in a different world which today mutilates the lives of millions of Latin Americans. The FMLN is clear evidence not only of the awareness of the need for change but of the certainty that that change is necessary and possible. [applause] [end recording]

Malmierca Receives Mozambican Foreign Minister

FL1210133090 Havana Tele Rebelde Network in Spanish 1200 GMT 12 Oct 90

[Text] Mozambican Foreign Minister Pascoal Mocumbi is in Havana on an official visit to our country. The high-ranking official was met at Jose Marti Airport by Cuban Foreign Minister Isidoro Malmierca and Vice Foreign Minister Giraldo Mazola. The goal of the visit is to reaffirm the ties that exist between the Cuban and Mozambican Governments.

Salinas Outlines Regional Integration Plan

PA1210190590 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 10 Oct 90

[Italicized passages are recorded]

[Text] President Carlos Salinas has announced in Montevideo his decision to immediately open Mexico's borders to Latin American products. The Mexican president, who attended a meeting of the Latin American Integration Association, ALADI, proposed a new way for the advancement of regional economic integration, with gradual but firm steps:

[Salinas] *I must point out that Mexico is turning from words to action in integration matters. We have already decided to open our borders to Latin American products, reduce tariffs, and dismantle protectionist barriers by granting preferential treatment that we have given no other world region.*

We are thus confirming our integrationist determination, and we hope that other regional countries will soon reciprocate Mexican products with the same treatment.

The strategy for the transformation of ALADI proposed by President Salinas seeks to turn it into an instrument that will free the energy and development of the region's economies and raise their people's well-being. This strategy includes 10 points:

1. Elimination of sectorial distortions that make the optimal allocation of resources impossible.

2. Drafting of a program containing a schedule to remove tariffs in order to ensure that there is a gradual move toward an effective opening.

3. Elimination of tariff barriers for all products, except for highly sensible [altamente sensibles] ones.

4. Elimination of export subsidies.

5. Removal of obstacles in the transport sector to reduce costs.

6. Clear and strict rules.

7. Mechanisms to respond with flexibility to unexpected situations.

8. Flexible and impartial procedures to resolve trade controversies.

9. Specific trade promotion programs.

10. Ensure that this strategy is compatible with other subregional mechanisms.

Salinas insisted that the risks and opportunities are forcing us to adopt changes:

[Salinas] *Resistance to change or a delayed response could bring about the collapse of a society and affect its very existance as a nation.*

The president also said that the region shares similar origins and fate as Mexico, as well as similar challenges and opportunities:

[Salinas] *The subcontinent represents a potential market of 400 million inhabitants. The revival of inter-regional economic exchanges via realistic strategies and specific agreements constitute a fully viable path to promote economic growth and raise our people's consumption levels.*

Ends Tour of Latin America

PA1410121890 Mexico City NOTIMEX in Spanish 0237 GMT 14 Oct 90

[Excerpt] Mexico City, 13 Oct (NOTIMEX)—President Carlos Salinas de Gortari returned to Mexico tonight after a tour that began on 5 October and included Bolivia, Argentina, Uruguay, Brazil, Venezuela, and Honduras.

Salinas de Gortari stepped out of the Mexican Air Force's "President Juarez" Boeing-724 at 2024, and received the honors befitting his high office in the presidential hangar.

The Mexican president was welcomed back by Government Secretary Fernando Gutierrez Barrios, Defense Secretary Antonio Riviello Bazan, and Navy Secretary Luis Carlos Ruano Angulo.

The president was accompanied by Foreign Secretary Fernando Solana Morales and Finance Secretary Pedro Aspe.

Salinas de Gortari visited Bolivia, Argentina, Uruguay, Brazil, Venezuela, and Honduras to strengthen relations with each of these countries through bilateral agreements, and to attend the Group of Rio meeting that analyzed the region's future.

During his tour, the Mexican president promoted Latin American integration as an essential step in defending the interests and rights of the Latin American peoples in view of the imminent political, economic, and social changes in the world. [passage omitted]

Six Citizens Return From Iraq via Germany

PA1510015390 Mexico City NOTIMEX in Spanish 0048 GMT 15 Oct 90

[Text] Mexico City, 14 Oct (NOTIMEX)—Six Mexican citizens, who were living in Iraq and had been waiting for the past one and one-half months for a safe-conduct to leave the country, returned to Mexico this afternoon.

Dario Rodriguez Sanchez, Jose Refugio Ramirez Hernandez, Jose Luis Resendiz Garza, Jose Luis Leon Gonzalez, Ramiro Sanchez, and Eduardo Gonzalez Peniche arrived from Frankfurt, Germany at 1835. They were accompanied by Mexican Ambassador Hector Cardenas.

On 19 September, President Carlos Salinas de Gortari sent Cardenas as head of the diplomatic mission that finally obtained permission for our fellow citizens to leave Iraq.

The Mexicans left Iraq three days ago and stopped in Frankfurt before coming to Mexico. They were received at the Mexico City International Airport by Foreign Relations Under Secretary Andres Rosentall, Iraqi Embassy Charge D'Affaires Sabar Al Hadithi, relatives, and friends.

With the exception of Gonzalez Peniche, who worked for an Italian radar factory, the other five Mexicans worked as iron and steel industry experts in Basra City, 60 km from the border with Kuwait.

Government Moves To Reorganize Public Debt

PA1410022990 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 11 Oct 90

[Text] The second swap operation to exchange $2.5 billion in foreign debt for capital has been successfully carried out.

This operation will allow the government to pay off $1.803 billion of the foreign debt. In addition, it will release $417 million in collateral that guaranteed the debt would be paid up. These $417 million will now become part of our country's international reserves.

The Finance Secretariat reported that, in view of the high discounts offered by investors who participated in the auction, it was decided to increase the amount auctioned from $1.5 billion to $2.5 billion.

The government has thus completed its debt-for-equity swap program for a total of $3.5 billion. The first auction involved $1 billion. This program is part of the agreement to reorganize the $48-billion public debt with international private banks.

Seventy-two bids were presented in the second auction; 29 of them were accepted. A single discount rate, 52 percent, was applied. The projects that were approved were in the areas of farming, tourism, communications, transportation, and industry.

Ciudad Victoria Reports Outbreak of Hepatitis

PA1410173890 Mexico City NOTIMEX in Spanish 0102 GMT 14 Oct 90

[Text] Ciudad Victoria, Tamaulipas State, 13 Oct (NOTIMEX)—Epidemiologist Oscar Flores has reported that health officials have thus far discovered some 300 cases of the dengue epidemic.

According to Flores, the epidemic is caused by heavy rains in this area; however, he added that "the necessary measures have been taken to prevent the epidemic from spreading to other states."

The heavy rains and the lack of hygiene in many abandoned lots have enabled the vector mosquitos to thrive.

The epidemiologist said that the hepatitis epidemic has been controlled. He said that currently, the coordinated health services are mostly concerned with implementing the adequate measures to avoid dengue cases from increasing.

Flores reported that most of the persons sick with dengue have been reported in the border city of Matamoros.

He urged the residents to throw away tires that have accumulated water, as well as jars or any other containers that have been thrown in empty lots, to avoid an increase in the reproduction of dengue vector mosquitos.

Belize

Foreign Minister Addresses UN General Assembly

FL1210185090 Bridgetown CANA in English 1549 GMT 12 Oct 90

[Text] United Nations, Oct 12, CANA—Faced with a flow of refugees from neighbouring Central American countries, Belize has pleaded at the United Nations for continued help from the international community to help it deal with the influx.

Belize's foreign minister, Said W. Musa, told the 45th session of the UN General Assembly that the refugee situation confronting his country and others in Central America constituted "a humanitarian problem of herculean magnitude."

Thousands of refugees continued to stream across their borders "in search of peace and a hope for a better life," he said. "We ask for the continued cooperation of the international community in dealing with the phenomenon whose social impact on small countries such as Belize can be devastating unless addressed in a timely and constructive manner," he appealed.

Turning to the issue of economic growth in developing countries, the foreign minister called for a "restructuring" of technical cooperation from donor countries and agencies, saying that such a step was needed to help the poorer nations "build human capabilities and national capacities."

"More successful technical cooperation in the 1990's requires that programmes focus more on national capacity building through the exchange of experience, the transfer of competence and expertise, and the fuller mobilization and use of national development capabilities," he declared.

As for the environment, the minister said his government was committed to an on-going programme to protect its forest, wild life, coral reefs, and other natural resources. Belize, he added, was looking forward to the 1992 UN Environmental Conference in Brazil to come up with a global plan of action that would "reverse the degradation of the environment and ensure its preservation."

Musa also focussed attention on the international drug problem and said that Belize was joining forces with its neighbours, especially Mexico, to cut the demand for and the trafficking in drugs.

Costa Rica

* Tax Package Unleashes Controversy

90CA0137E San Jose LA NACION in Spanish 8 Sep 90 p 5A

[Article by Nelson Murillo]

[Excerpt] While the head of the social Christian faction, Rolando Lacle, is "satisfied with the approval of the tax package" by the Financial Affairs Commission, the representative of the United People, Rodrigo Gutierrez, said that he was "disappointed," because once again, "the poorest groups are being made the scapegoat in the affair."

In the opinion of the government deputy, this plan "is very important to the future of the country. It is the only possible choice if we are to move forward in the midst of fiscal problems."

He emphasized "the seriousness and patriotism" of all of the members of the Congress who contributed to the improvement of the draft, so that "a tax reform which has shaped a legislative consensus has been produced." However, he warned that "we do not expect that the liberationists will vote for it in the plenary session," since they rejected it in the commission.

Gutierrez, for his part, said that if the government would collect the income tax efficiently, there would be no need for recourse to other taxes, as is the case in Sweden.

He said that currently "the people are paying two burdensome charges, thanks to devaluation and inflation." He also objected to the sales tax increase from 10 to 13 percent, and he emphasized that it is "unfair for the wage earner to pay the same as the business owner."

This legislator cannot understand how the national treasury can allow the loss of millions through "double invoicing, exemptions for the large companies, and tax exemption certificates (for exporters), representing privileges for Costa Ricans which total about eight billion colones annually." [passage omitted]

* 1990 Economy To Grow Three Percent

90CA0137F San Jose LA REPUBLICA in Spanish 12 Sep 90 p 6A

[Text] The economy will experience an increase of three percent this year and similar growth in 1991, the president of the Central Bank, Jorge Guardia, has announced. The percentage of increase in the value of production in past years has been a little more than five percent, with an "excess of success," as the managing director of the IMF, Michel Camdessus, defined it in March of this year during a visit to this country.

But this type of growth has produced a "reheating" of the economy, reflected in the increase in imports, inflationary tendencies, and limited man power availability.

Imports this year have been estimated at a total exceeding that for exports—$400 million.

What has been said, combined with the growing deficit in public finances and the decline in the reserves levels, has led the government to adopt very forceful measures to limit credit expansion, and consequently, the expenditure total and imports.

The measures which are being adopted are designed to "cool" the economy off, and although growth like that in other years will not be seen, there is no economic recession anticipated in the near future in the country's banking and financial circles.

The economy will see growth of between 2.5 and 3 percent this year, with a similar figure for the coming year, Guardia stated.

* Taiwan To Build 40 Factories

90CA0137H San Jose LA NACION in Spanish 23 Aug 90 p 28A

[Article by Jose Luis Mora]

[Text] The republic of China on Taiwan has offered to establish an industrial zone in this country, in which it might locate 40 factories, Engineer Roberto Rojas, the minister of foreign trade, has announced.

This official explained that the enterprises would operate on the basis of a free zone system, and could provide jobs for about 8,000 individuals.

Although there was initial interest in placing the industrial zone in Santo Domingo de Heredia, the opposition of various community groups made it necessary to look for another location. According to Engineer Rojas, it is expected that the complex will be located in the environs of the Juan Santamaria Airport, where 40 hectares of land will have to be purchased.

Rojas will travel to Taiwan next Saturday to finalize details with the potential investors, whose activity sectors range from the toy to the metal-mechanical and textile industries.

Outstanding among the advantages provided by this offer is the fact that our country will not have to cover the expenditures in infrastructure. It will only have to grant the pertinent operational permits.

It was reported at the Taiwanese embassy that there is interest in bringing the investors in, and that economic attache Carlos Wang traveled to this country yesterday for the purpose of facilitating the installation of these enterprises.

Information provided by the Ministry of Foreign Trade indicates that in the past five years, some 50 enterprises have come into our country on the basis of the free zone system and have made investments in excess of $25 million (approximately 2.35 billion colones). The direct employment total figure for this year is about 5,500 workers.

It is estimated that exports under this system will exceed $100 million (about 9.4 billion colones) this year.

The Economic Affairs Commission of the legislative assembly is currently studying an amendment to the Free Zone Law in an effort to update the benefits for investors and the country.

El Salvador

Army Spokesman on Possible U.S. Aid Reduction

PA1310130690 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 12 Oct 90

[Text] San Salvador—The Salvadoran Armed Forces will not give up or disappear because of a possible reduction in U.S. military aid, Army Spokesman Major Mauricio Chavez Caceres said. We are not surprised, Chavez Caceres said, referring to the campaign promoted by the U.S. Senate's Appropriations Committee to reduce by 50 percent the $85 million in military aid for El Salvador. Chavez Caceres said that a reduction in military aid is inevitable and that the Army has, therefore, already made the necessary adjustments. He added that the measure will be the result of a the campaign launched in the United States to convince senators to vote against approval for the aid. Chavez Caceres said that fuel expenses have been reduced by almost 50 percent in the various military garrisons to face a possible cutback in U.S. aid and the increase in fuel prices resulting from the Persian Gulf crisis.

Armed Forces 'On Alert' for FMLN Offensive

PA1310222890 San Salvador Radio Cadena YSU in Spanish 1730 GMT 13 Oct 90

[Report on interview with Defense Minister Colonel Rene Emilio Ponce by unidentified reporter; place and date not given]

[Text] Defense Minister Colonel Rene Emilio Ponce criticized the FMLN [Farabundo Marti National Liberation Front] today for not participating in the negotiations in a sincere manner. He added that unless the rebels take the talks seriously, achieving peace will be difficult. He also talked of a split within rebel ranks, with one faction opposing the talks and another supporting the decision to solve the conflict through political means. He also said he hoped that the UN participation in the peace negotiations would ensure progress in the talks.

[Begin recording] [Ponce] Because an FMLN offensive has been announced, the Salvadoran Armed Forces are ready in every respect, not just in San Salvador but all over the country. We have put all our units on alert to stop any nationwide FMLN operation. We think the FMLN is planning to conduct this sort of action, which will not be similar to the one last November, to please the radical elements within its ranks. It has been proven that there is a split within the FMLN. One group believes the solution to the conflict can be found through talks and negotiation, while another group feels armed struggle is the solution.

We think they may make good on their threats at any time from now until 4 November. That is why we are taking the appropriate measures in the institution, because we seriously support the president's bid to find peace through rational means, such as the dialogue. At

the same time, we must fulfill our constitutional duty—namely, to protect internal security and the people's interests, properties, and lives, and to defend a system that we have defended for the past 10 years in a more intense manner.

[Reporter] Colonel, has the Armed Forces' intelligence service studied the way the FMLN may launch its new offensive?

[Ponce] We have infiltrated persons into the FMLN, and they have told us how they will—or plan to—stage their new attack. For obvious reasons, I cannot say how this will be done, but we are aware of it and are taking the appropriate measures to avoid it.

[Reporter] On this point, the FMLN is saying that any increase [words indistinct] it is not true that the Army is supporting it, and that it does not want to negotiate the topic of the Armed Forces.

[Ponce] I think that no signal can be more objective than the one President Alfredo Cristiani gave in Washington and at the United Nations, when he announced a unilateral cease-fire to create the right atmosphere to reach the appropriate agreements in this process. We believe in and support the president's effort in this respect. That is why the FMLN's words have no validity. They are just words. [end recording]

The military chief said that the military operation had already registered its first clashes, chiefly in the country's northern region. The Army is on alert for any guerrilla action, Col. Ponce noted. As for the U.S. cut in military aid, he said the government will seek alternative means of financing the military so as not to affect the military budget, and thus the Armed Forces' actions.

FMLN Defectors Say Morale at 'All-Time Low'

PA1310235990 San Salvador LA PRENSA GRAFICA in Spanish 10 Oct 90 p 2

[Text] "Ramiro" and "William," former FMLN [Farabundo Marti National Liberation Front] rebels who turned their weapons over to the 4th Brigade, have claimed that FMLN militants are frustrated, are suffering from low morale, and want to abandon the struggle.

The former FMLN terrorists, who engaged in sabotage, ambushes, and harassment of the peasants in Sitio Zapalon village, on the outskirts of Chalatenango, turned over to the 4th Brigade two AK-47 rifles with nine clips, 300 cartridges, one fragmentation grenade, and three olive green drab uniforms.

They said that FMLN members have reached one of their lowest points since the armed struggle began, and their morale is at an all-time low. Most rebels have remained in the terrorist organization because of the death threats hanging over them and their families if they leave the organization.

To intimidate them and convince them to remain in the organization, the "commanders" are constantly "executing" those suspected of planning to defect, but only after exhibiting them as a warning to all others. The rebels are frustrated, they added, because the guerrilla leaders' promises "on winning the war," as well as other promises, have not been kept.

They noted, therefore, that many would rather risk being killed than continue a struggle that only hurts the Salvadoran peasants and low-income citizens.

Rebels' Military, Political Strength Viewed

PA1410004590 San Salvador Radio Cadena Horizonte in Spanish 1800 GMT 10 Oct 90

[Report on statement by Dagoberto Gutierrez, member of the Farabundo Marti National Liberation Front (FMLN); place and date not given]

[Text] The Farabundo Marti National Liberation Front, which includes five insurgent organizations, today commemorates the 10th anniversary of its founding and armed struggle. The organization has said that the rebels have become an undisputed power in Latin America. Dr. Dagoberto Gutierrez, member of the FMLN political-diplomatic commission and the rebel delegation at the negotiations, discussed the 10 years of war and said that there have been military and political advances that make a democratic revolution possible, which is the FMLN's goal in its rebellious struggle.

[Begin Gutierrez recording] It is very satisfactory and encouraging for us to have completed 10 years of struggle. The FMLN, by the fruit of our labor, has become an undisputed political power in these 10 years. The guerrilla army evolved from clandestine meeting places to well recognized ones, from armed propaganda to national dialogue, from clandestine meetings to the United Nations in New York. [passage indistinct]

This is a step forward in the FMLN's effort, but we also seek to have all our people move forward. We and our people's representatives have attained this power on the basis of our close relationship with the people. This power brings us close to a negotiated political solution of the conflict. In the end, the idea is to determine whether the negotiations constitute a process to establish the defeat of one of the sides, or if the process is designed to result in a new nation, a new homeland, a new state. We think that what counts is to put our power at the service of the nation and homeland.

Backed by the U.S. policy, the Army said it could defeat us militarily, financially, and politically. They say we cannot defeat them, but the truth is very different. We do not want to defeat them, but we are interested in showing them that we can defeat them, and we are prepared to demonstrate this to them and they know it. Otherwise, they would not be terrorized by the possibility of new military actions on our part. [end recording]

Dr. Gutierrez warned that the FMLN's military power can defeat the Armed Forces. He said the FMLN reserves the right to unleash a new guerrilla offensive in view of the government's refusal to negotiate the existence of the Armed Forces. Regarding military aid, he said that the FMLN expects the U.S. Congress to eliminate entirely the aid that the Salvadoran Army receives every year.

Asked about President Cristiani's proposal to change the mechanisms in the negotiations, Gutierrez said he agrees that this would help attain substantial progress in the negotiations, but that the most worrisome point is that the Armed Forces institution is not to be negotiated, as inferred from the remarks by some military officers. In his analysis of the FMLN's 10 years of armed struggle, Gutierrez underlined that the FMLN has become an undisputed power in Latin America because it has an army capable of defeating any U.S. military and political strategy.

FMLN Issues Declaration on 10th Anniversary

PA1410014290 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 11 Oct 90

[Declaration issued by the General Command of the Farabundo Marti National Liberation Front (FMLN) in El Salvador on 10 October—read by announcer]

[Text] The Farabundo Marti National Liberation Front was born 10 years ago. One of the longest and most complex wars in modern Latin American history also began 10 years ago. During this time we have traveled a tortuous path filled with thousands of obstacles and difficulties. Many of our companions have fallen by the wayside. There have always been others, however, to take up our staff and march on. Despite the obstacles, which some considered insurmountable, we never stopped, nor will we ever stop.

Today, after 10 years of struggle, we are an undisputable force. For the first time in our history, the real possibility of living in a democratic country, without an oppressive army and with sovereignty and social justice, is being revealed to us. We have made much progress. We are now an indisputable power. From our first beginnings with homemade grenades, we have become a guerrilla army. We see homemade grenades with more pleasure than weapons. [sentence as heard] We were armed with homemade grenades, a few rifles, shotguns, and the desire to win.

From the very first, our enemies received moral, materiel, and human assistance from the most powerful imperialist government in the world. Millions of dollars and the most complex political and military plans were designed and executed by the United States to defeat us. Those plans, however, were defeated one by one because from those Salvadoran flanks. Armed with homemade grenades, rifles, and many dreams, we became one of the most powerful guerrilla armies that have ever existed on the continent.

Now our adversaries have lost all their strategic defensive capability. They live terrorized by the possibilities of our new offensives. Until just recently they claimed they would win the war. Now they just say that we cannot win the war. That is why they refuse to accept the demilitarization and the changes that are urgently needed in the country. If they continue to resist, we will demonstrate that we can win the war.

We have gone from the clandestine sites to the control zones. We were born encircled, clandestine, and amid the gigantic conspiracy of the people. We went to the countryside to win hearts and terrain. Every inch of ground, in such a small country as ours, was fiercely disputed with bullets, courage, and determination. The impotent enemy withdrew. It began to leave in our control vast zones of national territory where the future of our free, democratic, and sovereign fatherland is found.

We have gone from an armed struggle to a national dialogue. We were born communicating with the political and social forces of the country, through armed propaganda, slogans on walls, and clandestine leaflets. Nobody could communicate with us for fear of being assassinated. Now our political and military power has led all the political and social forces of the country to recognize us as the key force in obtaining the changes that the country needs. To speak to us is no longer a crime, but rather a necessary mechanism, even for our enemies, in finding a solution of consensus and justice for the existing conflict in the country.

We have gone from the clandestine meetings to the United Nations. We were born virtually keeping secret the reasons of our struggle. The force of our militants won the admiration and recognition not only of the people, but also of the governments of the world. We have our representatives in many capitals, including that of the United States, and they are received by many governments, as well as the United Nations. The UN's mediation in the Salvadoran conflict is one of the soundest proofs of our status as belligerents. Our enemies always said that they would not engage in dialogue, much less negotiate with us, but they have had to eat their own words, and have sat down to negotiate before the eyes of the world.

We are a political, military, and constitutional power that will make a reality of its democratic revolution. Ten years ago five organizations met and united under a single banner. After 10 years of permanent debate amid the prevailing dogmas and schemes, continuously fighting with an innovative spirit of renewal, with our feet firmly planted in reality, and merging with the people, from whom we obtained our force, wisdom, and aspirations, we are taking to its ultimate phase the task we set out to achieve 10 years ago: the democratic revolution.

For all of this, for the path we have crossed, for the thousands of Salvadorans who have fallen, for this noble

cause, we call on all our fellow militants, all the popular organizations, all the democratic forces, and all patriots to take up this task of making El Salvador a democratic country free of an assassin army, and to gain lands for the peasants and the right to health, education, and work for all.

To our enemies, to those who have massacred our people, to those who maintain injustice and have harbored the hope that we would weaken as a result of international pressures, we want to make it clear to them that we have sufficient weapons and logistics to continue our war for a long time, and that we are all morally disposed to remain at war for as long as it is necessary. As long as there is injustice there will be war. As long as the genocidal army of the wealthy exists, there will be the revolutionary army of the poor. On this 10th anniversary we reiterate our determination to win.

[Signed] Commanders Jorge Shafik Handal, Salvador Sanchez Ceren, Joaquin Villalobos, Francisco Jovel, and Eduardo Sanchez.

Weekly Roundup of Salvadoran Fighting

PA1410175690

[Editorial Report] The following is a compilation of reports on clashes between the Farabundo Marti National Liberation Front (FMLN) and the Salvadoran Army from 4 October to 12 October.

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 9 October carries a six-minute segment on fighting between FMLN guerillas and the Army. The radio station begins reporting that on 7 October at 0940 FMLN guerrillas attacked soldiers of the Soriano Battalion Command Post Company of the 1st Infantry Brigade guarding the Mariona Jail. The station reports: "We inflicted 12 casualties on the enemy—namely, eight casualties on the 1st Infantry Brigade and four on the jail's guards." Referring to the materiel seized, the report states: "Our comrades recovered one fully equipped M-16 rifle, one PRT-77 communications radio, five knapsacks, and other war materiel." "On 5 October at 1700, one casualty was inflicted during fighting with Belloso Battalion soldiers in Cerron Mountain, Las Vueltas Jurisdiction, Chalatenango Department," the radio station reports, adding that on that same day, "we inflicted five more casualties in Jocotillo Mountain, Laguna Seca Canton, Las Vueltas."

This segment concludes by reporting on incursions by Honduran troops into El Salvador. On 4 October at 1300, Honduran Army soldiers "entered four kilometers into Salvadoran territory in Las Galeras area." Citing a report from the guerrillas in Morazan Department, the radio station says that "Honduran troops entered on two occasions into El Salvador through Las Galeras and Zancudo areas. Fighting broke out with one of our units that was patrolling that region on 5 October. There were no casualties." San Salvador Canal Doce Television in Spanish at 0300 GMT on 12 October carries a one-minute report stating that "military sources reported two guerrillas and one soldier were killed yesterday in fighting in Usulutan, Morazan, and La Paz Departments." It adds that one 6th Infantry Brigade soldier, one rebel, and four civilians were wounded.

San Salvador Radio Cadena YSU in Spanish at 1855 GMT on 12 October carries a battle report issued by the Armed Forces Press Committee. It states that two Belloso Battalion soldiers and one rebel were killed, and seven "subversives" were wounded "in fighting that took place on 11 October in Chalatenango and La Libertad Departments." This report also notes that one FMLN camp was dismantled in the area near Santa Tecla, in La Libertad Department.

Armed Forces Allegedly Murder Mexican Citizen

PA1410020190 San Salvador Radio Cadena YSU in Spanish 1730 GMT 11 Oct 90

[Text] According to the nongovernmental Salvadoran Human Rights Commission [CDHES], new investigations have confirmed that Mexican citizen Gerardo Mejia was murdered after his arrest by Salvadoran Armed Forces members. After conducting a series of investigations, the CDHES reported today that Mexican citizen Gerardo Mejia, who was a Farabundo Marti National Liberation Front combatant, was arrested and subsequently murdered by Armed Forces members. In this way, the CDHES denies that Mexican citizen Mejia was killed in combat as official sources reported.

Celia Medrano of the CDHES displayed a number of photographs showing the areas of the body where Mejia was shot. According to the CDHES, it is impossible for Mejia to have been killed during clashes with the enemy because the bullet holes his body shows are the result of very precise shots.

[Begin Medrano recording] Our investigations have found sufficient evidence to determine that Gerardo Mejia was murdered and not killed in combat as the official report claims. We will present you with two basic elements which are sufficient evidence to question the official report. According to the results of our investigations, Mejia's body had several bullet holes and some signs of torture that was afflicted prior to being murdered. We are specifically referring to bullet holes in the [word indistinct] region near the temple. It is very unlikely for somebody to get shot in this part of the body during combat. Similarly, Mejia had a bullet hole in the region near the neck. It is also very difficult to shoot a person in this part of the body during an armed confrontation. Mejia was hit in the temple region and in the area of the Adam's apple, and we believe it is very difficult to shoot somebody in these two areas in the middle of a clash.

Mejia also had bullet holes in the chest and the outer part of his left arm and forearm. According to our investigations, the bones of Mejia's left arm were broken, but not

by the impact of bullets. Similarly, the back part of Mejia's thighs and legs had cuts, probably made with a knife whether [words indistinct] which in our view are signs of the torture to which Mejia was subjected before being killed.

There are reports that Gerardo Mejia asked for help the moment he was arrested after an armed confrontation. He also asked and begged the soldiers who arrested him not to kill him. [Words indistinct] The basic evidence collected during our investigation leads us to think that the official report, and especially the report presented by Carlos Herrarte of the 5th Infantry Brigade, is not completely truthful. [end recording]

Celia Medrano stated that the CDHES was not allowed to attend the exhumation of Mejia's body. The CDHES is, therefore, waiting for a new report to confirm the results of its investigations. According to Medrano, Mejia's body will be subjected to a new autopsy to determine whether he was really murdered after he was arrested. Medrano said: We have witnesses who saw the guerrilla asking for help and begging not to be killed.

Radio Venceremos Reportedly Changing Image

PA1210175090 Madrid EFE in Spanish 0506 GMT 12 Oct 90

[Text] San Sebastian de la Gomera [Spain] 11 Oct (EFE)—Leonardo Gonzalez, director of Radio Venceremos, the Salvadoran clandestine radio station, said today that it has passed the stage of being a guerrilla military information station and is now becoming professional and nonideological.

Gonzalez is in La Gomera in the Canary Islands for the Spanish-American journalists' convention. He told EFE that Radio Venceremos now broadcasts more precise and objective information. This has increased its audience and given it more credibility among Salvadorans.

Gonzalez said that he felt somewhat strange about being the only representative of a clandestine source at the convention. He said that he fully identifies with his colleagues who have experienced similar situations in the past.

He said that there is no free press in El Salvador and that the media today to the government. He said that a new generation of reporters with clear and professional visions are emerging but they are being persecuted, imprisoned, and sometimes murdered. He said that Radio Venceremos expresses its political opinion through editorials. It has, however, expanded its objective information through a network of correspondents to make the station more professional. Besides general information, Radio Venceremos now broadcasts sports news and music in English and Spanish, instead of only guerrilla songs, as it did in the past.

Gonzalez explained that the Salvadoran Army has tried for a long time to destroy the station. This has caused the station to be moved constantly and to use limited equipment.

He said that this action has affected us greatly, but we are still struggling to increase the number of frequencies and improve transmission capability.

Fumarole Explodes in Ahuachapan; 13 Dead

PA1310225790 Paris AFP in Spanish 2023 GMT 13 Oct 90

[Text] San Salvador, 13 Oct (AFP)—The Salvadoran authorities have established strict surveillance measures to prevent a new tragedy in the Ahuachapan area, where a fumarole erupted in the predawn hours today, killing 13 people and injuring 20, government sources have reported.

After the explosion, a kind of volcanic crater about 200 meters in diameter was formed, spewing forth clouds of smoke and boiling water, the sources added.

According to local residents in the area, approximately 100 km west of San Salvador, the explosion was preceded by "strange noises" and threw out a large quantity of rocks, mud, and boiling water, burying at least six houses.

Members of Military Detachment No. 7 stationed in Ahuachapan, various service agencies, and special teams of geologists and chemical and mechanical engineers initiated an investigation of the event.

Adonay Rivera, spokesman for the Lempa River Hydroelectric Executive Commission [CEL], told AFP that CEL geologists working on geothermal drillings in Ahuachapan determined that the explosion occurred in a fumarole as the result of sulphurous mixtures at high temperatures, which exerted strong underground pressure.

In this same zone, where there is considerable geothermal activity, CEL has a plant that transforms volcanic energy into electricity, which supplies El Salvador's western region.

Guatemala

Rios Montt Barred From Running for President

PA1210200090 Panama City ACAN in Spanish 1931 GMT 12 Oct 90

[Text] Guatemala City, 12 Oct (ACAN-EFE)—According to an official resolution issued by the Supreme Court (CSJ) today, former President and retired General Efrain Rios Montt will not run for president in the 11 November elections.

Rios Montt, backed by the minority No-Sell Out Platform coalition [Plataforma No-Venta], had requested the protection of the CSJ after the Citizens' Registry

Office and the Supreme Electoral Tribunal refused to register him as a candidate in August because of constitutional impediments.

The controversial officer seized power in March 1982 after a coup d'etat against General Romeo Lucas Garcia. He was overthrown, however, in a similar fashion 16 months later.

Rios Montt Seen Ahead in Poll

PA1410015990 Guatemala City PRENSA LIBRE in Spanish 11 Oct 90 p 2

[Text] The Free Enterprise Chamber (CLE) released last night results of the sixth "Elections 1990" poll. The poll indicates that there has been a decrease in the number of undecided persons and that General Efrain Rios Montt would win the 11 November elections if he is allowed to participate.

The CLE poll indicates that if Gen. Rios Montt does not participate, then Jorge Carpio Nicolle, leader of the Union of the National Center (UCN) party, would win the elections.

The CLE says that of 2,400 people interviewed, 27 percent prefer Gen. Rios Montt; 21 percent Carpio Nicolle; and 11 percent Alvaro Arzu Irigoyen, candidate of the National Vanguard Party (PAN). Twenty percent of those polled were undecided.

The report on the poll results, which was presented last night at the Camino Real Hotel, adds that if Rios Montt does not participate, 26 percent of the interviewed would give their vote to Jorge Carpio Nicolle, 17 percent to Arzu, and nine percent to Jorge Serrano Elias. In this case the percentage of undecided persons increased to 30.

Indians Interviewed

The CLE pointed out that on this occasion a sector of the indigenous population was interviewed in their language and that their answers were recorded and played back during the presentation of the results of the poll.

As in previous announcements of poll results, order was requested when supporters of certain presidential candidates began shouting and applauding.

The results of the poll revealed the following statistics: If elections were held today, 27 percent of male voters would vote for Gen. Rios Montt; 21 percent for Carpio; 10 percent for Alfonso Cabrera Hidalgo, presidential candidate for the ruling Guatemalan Christian Democracy; followed very closely with nine percent by Jorge Serrano Elias of the Solidarity Action Movement; and eight percent. [as published]

If Gen. Rios Montt does not participate in the elections, 26 percent of the males would vote for Carpio Nicolle and 11 percent for Alfonso Cabrera.

The Female Vote

As for women, 27 percent would vote for Gen. Rios Montt, 22 percent for Jorge Carpio Nicolle, and 13 percent for Alvaro Arzu Irigoyen. If the controversial general does not run, 26 percent of the women would vote for Carpio, 20 percent for Arzu, and 17 percent for Alfonso Cabrera and Jorge Serrano.

Youths between the ages of 18 and 24 would vote as follows if elections were held today: 30 percent for Rios Montt, 20 percent for Carpio, 13 percent for Arzu, and seven percent for Cabrera. If the general does not enter the race: 28 percent would vote for Carpio, 20 percent for Arzu, 11 percent for Serrano, and eight percent for Cabrera.

Alberto Aragon de Aragon and Dionisio Gutierrez, Jaime Camhi, Armando Dieguez, Tulischt Diaz, and Carlos Rosal from CLE conducted the poll.

MLN on Party Official's Torture, Death

PA1410031890 Guatemala City SIGLO VEINTIUNO in Spanish 10 Oct 90 p 11

[Text] The MLN [National Liberation Movement] leadership, headed by Mario Sandoval Alarcon, warned its rank and file yesterday about the increase in violence that has already led to the kidnapping and murder of Marcos Osorio Chivalan, MLN documents and agreements secretary in Santa Maria Chiquimula, Totonicapan Department.

More than 10 armed men dragged Osorio Chivalan from his house in the presence of his family last week. His tortured body was found on a country road early Tuesday morning.

In statements to SIGLO VEINTIUNO, Luis David Eskenasy, MLN vice presidential candidate, said: "We are going to take the appropriate measures to stop them from killing our people." He added: "Several cases of violence aimed at MLN members have been reported, both here and in the interior of the country."

He added that the MLN had already exercised caution before 30 September, when an explosive device went off on a hill near the road where Colonel Luis Sosa Avila's motorcade was travelling, on the stretch between "El Tapon and Huehuetenango," but since that time it has also implemented tighter security measures.

"If we are attacked again...we are going to defend ourselves, and if possible and necessary, we are going to capture our aggressors and turn them over to the authorities," Eskenasy Cruz said while explaining his party's position following the tragic death of his provincial leader in Totonicapan.

He added that as a result of the latest incidents "we have placed all our people in the national territory on a state of alert, with the purpose of preventing situations such as

the one that occurred with the documents and agreements secretary in Santa Maria Chiquimula."

He said: "We are going to defend ourselves...we are not going to allow ourselves to be killed." He forcefully warned that "as always, they do not scare us." MLN members are "prepared to defend the fatherland, even with their lives...if it is necessary."

Government Condemns Violence

PA1410032590 Madrid EFE in Spanish 2226 GMT 10 Oct 90

[Text] Guatemala City, 10 Oct (EFE)—The Guatemalan Government said today that "it will do everything possible" to ensure that the electoral process culminating on 11 November "can be completed without any delays." The government condemned the acts of violence perpetrated against several political opposition leaders.

Government spokesperson Claudia Arenas said today that security agencies are investigating the attempts on the lives of former Government Minister Juan Jose Rodil and Deputy Oliverio Garcia Rodas, both members of the opposition National Union Center [UCN] party.

Last week Rodil and Garcia Rodas emerged unscathed from the attacks, the first one in Guatemala City and the second in a department in the country's southwest.

Marco Osorio, a leader of the rightist National Liberation Movement (MLN) who was kidnapped by unidentified persons on 27 September, was found dead today on a rural road in the country's east.

Osorio, MLN secretary for documents and agreements, was dragged out of his home in Santa Maria Chiquimula, Totonicapan Department, by 10 armed men. His body showed signs of torture.

Commenting on the wave of violence against opposition politicians, Arenas said: "President Vinicio Cerezo, who has been marked by his unrestricted respect for human rights, has been the first to condemn all kinds of attacks against people and their property."

The official spokesperson told the press that at this time, when the country is heading toward a period of transition and consolidation of democracy, there will always be people determined to hamper the electoral process and ruin the climate of freedom and democracy that has been acknowledged by organizations and governments.

"The government is the first to condemn these events and asserts that it will do everything within its reach so that the electoral process can go on, as everyone wishes, and culminate in a climate of peace and security," she added.

Guatemala will hold elections on 11 November, but the campaign has been marred by death threats against most of the presidential candidates and the murder of department leaders.

Honduras

Callejas, Salinas Sign Four Bilateral Agreements

PA1410152890 Mexico City NOTIMEX in Spanish 2002 GMT 13 Oct 90

[Report by Mariana Pliego]

[Text] San Pedro Sula, 13 Oct (NOTIMEX)—Mexican President Carlos Salinas de Gortari has said that his government and the government of Venezuela will maintain the volume of exports of crude oil to assist the recipient nations of the San Jose Pact.

A few hours before ending his tour of six Latin American countries, Salinas announced that Mexico will grant temporary short-term credit facilities to the recipient nations of the San Jose Pact.

Salinas added that this measure is intended to ease the economic hardships caused by the changes in the world oil market that have resulted from the Persian Gulf crisis.

Within the framework of a seven-hour official visit to Honduras, Salinas and his colleague Rafael Leonardo Cal'ejas issued a joint commmunique and reported the signing of four bilateral cooperation agreements, which had been previously analyzed by the foreign ministers of Mexico and Honduras.

Regarding the situation in Central America, Callejas and Salinas agreed that the recent political changes in the region "allow one to be hopeful about peace, development, and democracy."

Both presidents expressed their willingness to help achieve the aforementioned objectives to avoid an increase in violence and a widening of the social and economic gaps in the region.

Callejas and Salinas also said they were hopeful that the peace processes currently under way in El Salvador and Guatemala can put an end to violence. They also called on the governments and opposition organizations of Central American countries to act with flexibility.

Meanwhile, Salinas and Callejas reiterated their concern over the arms race in Central America; they agreed on the need for Latin America countries to resume efforts to sign a conventional arms control agreement.

Both presidents, to increase commercial cooperation, agreed to make better use of the existing agreements, such as the preferential quotas that Central American products receive on Mexico's southern border. They also agreed to increase the number of Honduran products with access and tariff preferences to the Mexican market to 75.

Nicaraguan Harassment of Fishermen Protested

PA1210195890 Tegucigalpa LA TRIBUNA in Spanish 9 Oct 90 p 6

[Text] The Honduran Foreign Ministry has formally protested to the Nicaraguan Government over the harassment of Honduran fishermen by a Nicaraguan Navy vessel. The harassment led to the intervention of the Pacific Naval Squadron, which seized the Nicaraguan vessel.

Foreign Ministry spokesmen said that the naval squadron intervened to help the Honduran fishermen who were being harassed by the Nicaraguan Navy vessel. The Hondurans seized the vessel and transferred it to the Amapala base in the Gulf of Fonseca.

The Honduran coast guard vessels reported the seizure of the Nicaraguan vessel to the Armed Forces Staff, which then notified the Foreign Ministry so that it could lodge a protest to the government of Violeta Barrios de Chamorro.

According to official sources, the Nicaraguan patrol boat was caught harassing Honduran fishermen in territorial waters, so Honduran forces protected the fishermen by seizing the Nicaraguan patrol boat.

The Honduran Government filed the formal protest at the Nicaraguan Foreign Ministry, saying that this kind of harassment had not occurred since the Sandinist National Liberation Front administration left office.

Japan Donates Fertilizers Worth Millions

PA1210195990 Tegucigalpa EL HERALDO in Spanish 9 Oct 90 p 30

[Press Bulletin issued in Tegucigalpa on 8 October]

[Text] 1. At 1100 on 11 October the signing ceremony of the exchange notes will be held at the former offices of the Ministry of Foreign Relations between the acting Charge d'Affaires of Japan in Honduras, Mr. Toru Watanabe, and Foreign Relations Minister Dr. Mario Carias Zapata.

2. The exchange notes deal with the donation of fertilizers worth 350 million yen, some 14.75 million lempiras, as a nonreimbursable economical donation from the Government of Japan to the government of this friendly country to contribute to the increase in the production of food sources, under the Basic Grain Production Program in the midwest region of the country. This is the third donation since 1979 that totals some 5.75 billion yen, an equivalent of $41 million to date.

3. The cooperation effort will be formalized through the exchange of notes and, although modest, it is proof of the friendship and respect the government and people of Japan have for the government and people of Honduras. It will compliment the efforts this country has made in achieving economic and cultural development and improvement for the Honduran people.

4. The work the Honduran Government is doing to promote and increase the agricultural development, through the production of food sources, is very significant to the Government of Japan, which is aware of the enormous need for cooperation in further developing the economy and social conditions and is ready to continue striving to strengthen the ties of friendship and cooperation with Honduras.

Tegucigalpa, 8 October 1990

Nicaragua

Attack on Government Official's House Reported

PA1410200990 Panama City ACAN in Spanish 1916 GMT 14 Oct 90

[Text] Managua, 14 Oct (ACAN-EFE)—Nicaraguan Government Ministry delegate Jaime Cuadra today reported that a group of unidentified persons dynamited his residence, located in the northern city of Matagalpa, early this morning. There were no casualties, just considerable damage.

Cuadra told ACAN-EFE that his house was heavily damaged from the explosion of a bomb which was planted by unidentified persons in a "criminal attack" perpetrated at 0200 (0700 GMT) while the entire family was sleeping.

"I have no enemies, and I was surprised by the attack, which caused no casualties," he added.

The explosion destroyed most of the couple's bedroom, the garage, a vehicle, and a bathroom, the Government Ministry delegate said.

"They are wrong if they think that this attack will make me change my views or that it will force me to resign," Jaime Cuadra said angrily.

The official recently reported that he had received death threats, but he said: "I am not afraid; I will carry on."

Cuadra reported that Sandinist workers organize demonstrations in front of his house almost every day, demanding his resignation as Government Ministry delegate in that conflict-ridden zone.

Sandinist media have accused Cuadra of "encouraging" former contras to seize land which belongs to Sandinist cooperatives in the northern zone of the country, where these incidents have already resulted in 12 deaths and dozens of wounded.

The conflict in the countryside worsened two weeks ago when four civilians died in a clash between policemen and pro-government peasants—shortly after former contras tried to seize some Sandinist cooperatives' land in the town of Waslala, 240 km northest of Managua.

Pereira on Alternative Programs for State Workers

PA1310174090 Managua Domestic Service in Spanish 1815 GMT 12 Oct 90

[Text] Emilio Pereira, finance minister in the Chamorro government, has explained a program, which is aimed at promoting the voluntary transfer of approximately 15,000 state workers to other activities, before the plenum of the economic and social national dialogue. These state workers will receive the government's monetary support. Once this goal has been attained, the country will be ready to demand fair treatment from international financial organizations in view of its chaotic postwar situation. This will enable the country to embark on its physical and economic restructuring.

Pereira said that this program gives professionals or government employees who have an entrepreneurial vocation a great opportunity to establish their own businesses and become independent. If they do so, they will receive compensation based on the total amount of their salary and a credit equal to six months worth of salary so that they can begin small industries.

Another alternative of the government's program would be for a private businessman to hire a former government worker. In this case, the worker will receive compensation equal to three months worth of salary and the businessmen will receive a debt pardoning, in other words, a fiscal credit for up to six months. Two or more former government employees could unite and become partners to demand the aforementioned compensation and financing so that they can establish a consulting company or another kind of company.

Another alternative calls for the state worker to submit his name for a drawing so that he can remain in his position with the same salary but must give up 10 percent of his salary to the government's economic stabilization program. [sentence as heard]

All of the foregoing options are absolutely voluntary. The strategists of this program hope to attract some of the 85,000 Nicaraguans currently on the government's payroll, which was exaggeratedly increased by the Sandinist government after it implemented its reduction of the state apparatus by firing 40,000 workers without [one-second break in reception] or alternative. [sentence as heard] The IDB [Inter-American Development Bank] will give the government $10 million to carry out this program. It will save 48 million [currency not specified] annually.

Central Bank of Nicaragua President Dr. Francisco Mayorga explained the details of this new program before accredited labor leaders in the national dialogue.

[Begin Mayorga recording] This program will allow all public employees who want to work and establish their own businesses—be it a small store, industry, service company, or restaurant—to receive a large compensation in gold cordobas, as well as access to a credit line in gold cordobas of eight, 10, or perhaps 12 months of their salary so that they can establish a business. Workers will, therefore, no longer have to see the face of their bosses.

If a state worker wants to become an enterpreneur, he will be able to do so and can thereby increase production and help the economy recover. If there are people who have entrepreneurial skills and no longer want to work for a salary, they can now decide their own fate and take advantage of this opportunity. We have obtained some funds that will be at the disposal of public employees who want to establish their businesses.

We have also created a program for government workers who want to work in the private sector that will enable them to receive special benefits. This program will also provide fiscal incentives to private companies, which will pay only half the salary of former state workers. For example, if a government worker makes 200 gold cordobas and he decides to join the private sector, his prospective employer will only have to pay 100 gold cordobas because the government will grant businesses a tax exemption of 100 gold cordobas for each worker he hires. This represents half the salary of every extra worker the employer hires.

It could very well be the case that some government workers can get higher wages. They will receive two or three months of salary upon separation [one-second break in reception] get higher wages in the private sector. This will also be cheaper for private businesses. This way we all win. Former government workers win because they will get better jobs in the private sector, perhaps with higher wages. The private sector employer wins because he will only pay half of the worker's salary. The government wins because it will get rid of excess workers.

This program will allow for the transfer of people who are underemployed or [word indistinct] unemployed to productive sectors, because there are many people in the government who are not really producing. These people work with the government only for the little salary they earn, and they would really like to produce.

This program was devised by the economic cabinet of Dona Violeta. This program is being discussed at the national dialogue so that we will realize that the rumors about thousands of people being thrown out of their jobs and higher unemployment are false. We are determined to help government workers who want to work and establish their own business or join the private sector. They will have an excellent opportunity to do this. [end recording]

Dr. Mayorga was very pleased with the contributions made to the document at the plenum. He regretted the absence of the Sandinist FNT [National Workers' Front] delegates who should have made their suggestions at the plenum. Mayorga added that at the request of President Violeta Barrios de Chamorro the governent plan would not affect the handicapped, nursing mothers, and those who have union immunity.

Alfredo Cesar on Ministers' Resignations

PA1210224690 Managua EL NUEVO DIARIO in Spanish 12 Oct 90 pp 1, 8

[Text] Alfredo Cesar, first secretary of the National Assembly, neither confirmed nor denied that he will shortly be designated Nicaraguan Foreign Minister, replacing Enrique Dreyfus.

Cesar made this remark to local and foreign reporters when he announced the National Assembly's "official statement" regarding a dialogue toward consensus being held in Managua in which several national sectors, such as workers, businessmen, and the government, are participating.

Asked whether he had been appointed the new foreign minister, Cesar smiled and replied that he still did not know anything about the matter, but that should President Violeta Barrios designate him for the post, he would accept.

Cesar also said that President Barrios had asked the entire Cabinet to resign and that this would make easier any necessary change after the national dialogue.

Cesar believes that all the ministers will have presented their resignations to President Barrios by no later than year's end.

Concerning this, EL NUEVO DIARIO has learned from reliable sources that Labor Minister Francisco Rosales, alias "Panchon," and Central Bank President Francisco Mayorga, alias "Panchito," resigned last week.

These ministers handed in their resignations to the president on Friday. It has been speculated that they made their decision due to their disagreement with the "consensus line" advocated by the Barrios government.

Rosales reportedly said in his letter of resignation, however, that he made his decision because the people consider him an evil and harsh person, even an enemy of the people. "I do not want to appear like an even worse person. I have only applied the government policies of President Barrios," he said.

In addition, during a news conference at the National Assembly yesterday, Cesar reported on the Assembly's stance regarding the "consensus," a decision he said "was unanimously approved by the deputies of the ruling UNO [National Opposition Unity], the opposition represented by Sandinist National Liberation Front Deputy Moises Hassan, and the Yatama [Miskito, Sumu, and Rama Indians, and Creole Groups Organization].

Cesar said: "This is the first unanimous official statement released by the National Assembly and constitutes a political guideline for national agreement."

Speaking in the absence of National Assembly President Dr. Miriam Arguello, who is out of the country, Cesar added that the president does not have to comply with the nine points of the official Assembly statement and that the Assembly's stand constitutes "a moral force that should have some impact on the president, but cannot tell the president what to do."

Assembly Declaration on Economic, Social Solution

PA1310160190 Managua LA PRENSA in Spanish 11 Oct 90 p 2

["Text" of Declaration issued by the National Assembly in Managua on 10 October]

[Text] 1. The National Assembly of Nicaragua is very concerned about the worsening of the country's economic and social situation, which is a dangerous threat to the country's political stability and peace, which was attained after many years of painful armed confrontation. By no means should we allow that tragedy to repeat itself. The National Assembly commits itself to preventing that from happening.

Since the National Assembly gathers the country's political forces and represents the people's sovereign will, it vigorously states that making the necessary efforts to prevent the worsening of the country's political situation; containing the pressure leading to economic and social deterioration; and adopting immediate measures to lead the country toward sustained development and stability are patriotic responsibilities that are above party and personal interests.

2. The National Assembly is pleased to see that all of the country's political, social, and economic forces agree that the national dialogue is the only way to start solving the country's problems. Therefore, the national dialogue, which is being promoted by the executive branch, must be based on the broadest possible consensus to attain efficient agreements.

3. The basic premise for the national dialogue to attain the necessary national political consensus is to respect and enhance the legal state within the framework of a legitimate, democratically elected government, whose authority, which comes from the people's mandate and the constitution, should not be violated. Similarly, the government's right to implement its plan should be exercised, taking into account the legitimacy of the opposition. In addition, the opposition's interests should be taken into consideration when the government makes its decisions.

The strengthening of the legal state requires, among other things, respect for the full independence of the state branches; guarantees for the professionalism of the Armed Forces through the reaffirmation of their respect for the law; and the total disarmament of the civilian population.

In this context, the National Assembly reiterates the need for all of us, the government and the people in general, to comply with the country's norms and laws.

4. The National Assembly will contribute to building a democratic society based on the law and on social and

economic justice. The need to strengthen the economic system's efficiency by decentralizing and reducing the size of the government and by increasing the importance of commercial activities and the market economy should not mean the restoration of Somozism. Thus, we reassert the people's right to own properties, especially the right of the most needy. For that reason, the properties that were distributed among the people prior to 25 February 1990—either in an individual or associative manner—should be respected. It should be recognized, however, that if these properties were unjustly expropriated or confiscated from their original owners, the latter should be given their properties back if possible; if it is not possible, they should be properly compensated.

We believe that the workers' right to participate in the ownership of the state enterprises which are privatized should be taken into account.

5. The National Assembly believes that overcoming the economic crisis in the country requires the adoption of adjustment measures. The costs should be distributed according to the capability of the socioeconomic sectors and special care should be provided for the weakest sectors of the population. There are, however, undoubtedly exceptions in the country resulting from more than a decade of great destruction because of the political-military conflict. This is why greater international resources are urgently needed and with favorable conditions attached. It is necessary for international financial organizations and those countries with ties and interests in the region to recognize the exceptional nature of the Nicaraguan economy and prevent it from being subject to the severity of the traditional stabilization programs. Therefore, the adjustment program must be part of an all-out economic policy—through which the productive capability of the country can be recovered—that must be immediately implemented.

6. To contribute to the understanding and reconciliation of all Nicaraguans, the National Assembly expresses the need to urgently take care of the areas of conflict and tension, seeking solutions through dialogues, especially with regard to the problems of land occupations and takeovers. A proper climate, through the adoption of positive actions in the different areas of conflict, would allow for agreements to be reached on the most appropriate means to implement the necessary economic measures.

Therefore, the National Assembly calls for a suspension of violence as a means to solving conflicts.

7. Considering the essential responsibility of the media in the creation of a necessary climate of trust and respect, the National Assembly makes a fervent call to the owners, publishers, and journaliists of the various media to contribute to the development of a political culture based on tolerance and respect for all ideas. The National Assembly also reaffirms the unrestricted right of the various media to freely express themselves, and it condemns all acts of terrorism against them.

8. The National Assembly makes an emphatic call to all sectors participating in the economic and social concerted effort to play a responsible, decisive, and patriotic role that can make it possible for us to achieve a national agreement that can lead to social peace and the effective reconstruction of Nicaragua.

9. As a contribution to the consolidation of peace, stability, and democracy in Nicaragua, the National Assembly—as the first branch of the government—believes it must maintain permanent political awareness of the great problems and conflicts that adversely affect the nation. In that regard, the National Dialogue Commission of the National Assembly must continue to contribute to the national concerted effort and periodically inform the entire Assembly about the results of the process so that its activities may be approved.

Managua, 10 October 1990

Luis Sanchez Sancho, acting president of the National Assembly

Alfredo Cesar Aguirre, secretary of the National Assembly

Dialogue Commission Participants Issue Statement

PA1410175090 Managua Domestic Service in Spanish 1330 GMT 12 Oct 90

[Report on statement by Deputy Government Minister Jose Pale; place and date not given]

[Text] The four commissions that have been working on an economic and social consensus at the Olof Palme Convention Center yesterday reported on the points of agreement and disagreement that still exist among the participants representing workers, employers, and the government. Stressing that there was a high level of agreement, although there are still some areas of disagreement, the delegates discussed these potential agreements. These agreements include the creation of a national land reform committee; the creation of a national tripartite committee to conduct an in-depth study of a reduction of the government; and the creation of a committee to handle labor disputes. All these committees will function on a permanent basis in order to avoid social problems. Since we deem it to be of utmost important, here is the report by the commission tasked with establishing a climate of trust and security in the country. We feel this is the cornerstone for an agreement, as it defines the framework in which we must live in a democratic country, abiding by and respecting current laws. The first commission is headed by Deputy Government Minsiter Jose Pale, who reads the report.

[Begin Pale recording] Following the speeches by the many participants, the commission to establish a climate of trust and security reached by consensus the following conclusions:

1. Ensuring a de jure state and social peace is essential for the well-being and security of all Nicaraguans. By de

jure state we mean one in which the supremacy of the Constitution and the laws is recognized and where the governing and the governed recognize that supremacy and their duty to abide by it.

2. The Constitution of the Republic is the cornerstone on which a de jure state rests; therefore, it must be respected and abided by the governing and the governed. Initiatives for constitutional amendments, which sectors of society that participate in the forum deem necessary, must be analyzed in line with constitutional procedures.

3. There are legal and constitutional norms that hamper the process of strengthening the de jure state. Therefore, an agreement was reached to establish a tripartite technical-legal commission to be made up of delegates appointed by the sectors involved in the agreement that will be tasked with assessing current legislation and recommending the appropriate changes that affect the interests of these sectors. Owing to the urgent need to conduct this work, it was agreed to establish the commission immediately, and the commission should take no more than three months to conclude its work.

4. Enacting a new and modern labor code, an efficient procedural labor code, and the creation of a higher labor court, where all sectors involved in labor relations are represented, are considered an urgent need. In addition, the civil service law must be immediately restructured and regulated.

5. The collective agreement on labor, which was reached in accordance with the labor code, international ILO [International Labor Office] agreements, and other appropriate laws must be the framework used to regulate labor-management relations. For that reason, all sides must seek to sign these agreements, as appropriate. The government is advised to update the ratification of international agreements on labor matters that still must undergo this process.

6. The legitimate right to strike is recognized, so measures to curtail this right must be avoided.

7. The writ of amparo must be regulated so that it can be effective in protecting the true exercise of rights and so that Nicaraguans will be able to enjoy the freedoms granted to them by the Constitution. [end recording]

FNT Leaves Talks To Protest Dismissal Plans

PA1310150290 Managua Radio Sandino in Spanish 1200 GMT 12 Oct 90

[Report on interview with National Workers Front leader Lucio Jimenez by unidentified reporter; place and date not given]

[Text] Yesterday the FNT [National Workers Front] withdrew from the national dialogue session to show its disapproval for a plan that will create more unemployment. FNT Leader Lucio Jimenez said that the FNT delegation withdrew from the national dialogue meeting in order not to take part in the debates of a plan that will leave 15,000 employees without jobs. He added that the summaries of the session meetings did not truly reflect the matters discussed. Here is his statement:

[Begin recording] [Reporter] Why did the FNT withdraw from the meeting?

[Jimenez] It was not a withdrawal. It was a sign of protest against the attempts to put on a show to present a plan that will result in the dismissal of 15,000 workers. We disagree with the plan, and as it was spitefully imposed upon us at the meeting, we simply withdrew as a sign of protest. I am trying to mediate between the leadership and the workers who walked out. It is quite possible that we will return to the session tomorrow.

[Reporter] Do the summaries prepared by the dialogue commissions faithfully reflect the matters discussed?

[Jimenez] No, they do not. The government representatives have reached their own consensus, and now they are trying to impose what they want through the media.

[Reporter] What are the points on which no agreement was reached?

[Jimenez] There are various points on which we disagree. For example, we cannot accept that such an important issue as the financing of the construction and textile industries—on which a tripartite agreement was already reached—not be presented as a consensus agreement, but as a possible agreement. Meanwhile, we are presented a plan to dismiss 15,000 workers. That is absurd, particularly because it is an attempt to confuse the public. [end recording]

Labor Conflicts for Teachers, Others Continue

PA1210171990 Managua Radio Sandino in Spanish 1200 GMT 10 Oct 90

[Text] The staggered strikes by banking employees seem to be picking up strength in view of the intransigent stands of Central Bank and Financial System officials, who have decided not to negotiate the proposal of the Banking Employees' Union. Most bank branches suspended their operations yesterday afternoon, and the Central Bank's main office will join the suspension today. A march by employees of Managua bank branches is scheduled for this afternoon. The employees will go to the Olof Palme Convention Center to try to meet with Central Bank President Francisco Mayorga. Let us listen to Efren Sanchez of the Bank Employees' Union explain the situation:

[Begin Sanchez recording] Authorities of the Central Bank and the National Financial System summoned us yesterday to a meeting. It was attended by the presidents of Corfin [National Financial Corporation] and [words indistinct] Central Bank, and their exact reply is that they cannot meet the demands of the Banking Employees' Union. They insist on applying Article No. 99 of the Central Bank Law and Article No. 234 of the banking law. They insist on reducing [words indistinct]

at any cost. They say that we are a white elephant, that we are inefficient, and that we are bureaucrats and that for that reason they must reduce the number of employees [words indistinct].

This is a justification used to reduce [words indistinct]. The Banking Employees' Union rejected these statements by the bank's top authorities. [Words indistinct] more than 150 bank offices were on strike today. The Central Bank will join our partial strike tomorrow, which already has the support of all the other banks' main offices. We will, therefore, open in the morning. All banks will open at 0830 for state employees to cash their checks. We will close at 1230. We will also participate in a march which is to start at 1400 and will proceed to the Olof Palme Convention Center in an effort to meet withDr. Mayorga. We will continue on Thursday with the partial strike until we receive a response. We do not rule out more radical activity. [end recording]

Meanwhile, because of delays in the delivery of the Enabus [National Bus Enterprise] payroll lists, the General Labor Inspection Office did not issue a resolution on the conflict with the public bus enterprise company. Departmental Labor Inspector Nidia Sanchez told this station that Enabus management did not deliver the lists until late in the afternoon and thus delayed the verification of the signatures collected during a meeting held two days ago.

The Labor Ministry is expected to issue a statement this afternoon on the conflict caused a workers demand to make the bus company a cooperative. The ministry could declare the Enabus strike illegal, and the workers could be dismissed. It has also been reported that the Education Ministry will not dismiss any teachers; in any case, it would dismiss or transfer the 5,000 administrative personnel, according to Deputy Education Minister Dr. Humberto Veliz.

[Begin Veliz recording] Although the economic crisis has led to severe restrictions in government expenditures, it is virtually impossible to reduce the number of teachers because this would entail a reduction in the number of students receiving proper attention. Consequently, the only state sector where we could reduce personnel is the bureaucratic, or administrative support, sector both in the central headquarters and in the various regions. This includes those employees working in the various Education Ministry departments. There are between 4,000 and 5,000 people working in this area. We will carefully consider the cases of supernumerary personnel to see which of these employees can be transferred to other sectors of the national economy.

We have also said that, to help fight the deficit in the Education Ministry, we could take advantage of the book sales. We will have an estimated $15 million in textbooks for the coming school year. If we can manage to sell these books at, say, at one dollar a piece—there are going to be approximately 15 million books available—we could recover more than $10 million. This would be of great assistance to the education sector, provided proper measures are taken so that those homes where it is impossible to buy books can have them for free. Those homes that can pay more than $1 per book should do so; this would be an alternate measure.

Another measure would be to decentralize the educational system, whereby certain communities, through the mayor's office, the parents' association, or local residents, would pay for school. The monthly budget would be handled by the local community. The school would continue to be a public school, but would be supported mostly by the local community. The government would supply whatever other things the school requires to remain completely operational. [end recording]

Government Commission To Solve Land Problems

PA1410043190 Managua Domestic Service in Spanish 1815 GMT 11 Oct 90

[Statement by Danilo Lacayo Lanza, director of information and press for the Presidency of the Republic, in Managua; date not given—recorded]

[Text] We wish to announce that the Violeta Chamorro government will establish the National Agrarian Commission within the next few days. This commission will be entrusted with solving the landholding problems that have arisen lately, such as the recent violent events in Waslala and San Ramon, so that there will be no more bloodshed.

The commission will be made up of the presidency, government, agriculture, Irena [Institute of Natural Resources], and INRA [National Institute for Agrarian Reform] ministers; the president of CORNAP [expansion unknown]; and a member each from UNAG [National Union of Farmers and Cattlemen], ATC [Association of Agricultural Workers], and CPT [Workers Permanent Congress], in addition to a representative of the demobilized members of the Nicaraguan Resistance, an agrarian reform adviser with vast recent experience in Nicaragua. This commission will seek to prevent future problems with the demobilized Resistance members, ATC members, and the farmers in general.

Channel 2 Reportedly Returned to Former Owner

PA1410042090 Managua BARRICADA in Spanish 10 Oct 90 p 5

[Text] The union workers of the National Television System (SNTV) charged yesterday that the Chamorro government has already authorized turning over the installations of Television Channel 2 to its former owner Octavio Sacasa, a former Somozist official, even though he had been paid by the revolutionary government for the station.

Sources who asked to remain anonymous told BARRICADA late in September that the General Directorate of Revenue and the Office of the Attorney General have

evidence that implicates Sacasa and his former brother-in-law Carlos Dubon, who together owned 30 percent of the shares in Channel 2, in a big case of fraud against thousands of farmers.

Dubon and Sacasa, the sources said, purchased the shares with the money earned from the fraud.

Nonetheless, Sacasa employees began to unpack a large quantity of equipment in the installations of the aforementioned television station in El Crucero area yesterday.

Girlani Martinez, secretary of labor affairs in the union, charged that the Ministry of the Presidency was constantly delaying answering the workers' demands that the television channel not be turned back to Sacasa.

Two weeks ago, the workers marched to the Presidency to demand that the station not be returned to Sacasa, and that instead the shares be given to the workers who have been struggling for 11 years to broadcast their programs over that frequency.

Following the march, Deputy Minister Antonio Ibarra, who claimed he did not have available a copy of the contract renting the channel to Sacasa, promised to give the workers a copy.

"He has talked to us about rental, but that is only a front for returning the station to Sacasa. This means that at least 100 workers might be fired," Girlani charged.

Yesterday union members visited the transmission plant of Channel 2. A few minutes after their arrival, several employees of Sacasa—including some former employees of the television station—arrived in several vehicles, including a truck that was carrying several crates.

When consulted about this, Deputy Presidency Minister Erwin Krugger told BARRICADA: "I know nothing about that. It is not an area under my purview. I have nothing to do with that."

Krugger passed the responsibility onto the Presidency's Information and Press Directorate (DIPP) under Danilo Lacayo and Dr. Antonio Ibarra, because "I honestly know nothing about that."

At the office of Danilo Lacayo, information and press director, we were told, however—as usual—that "he is at a meeting."

Meanwhile, the SNTV union said that it was Danilo Lacayo who signed a "contract" with Sacasa to allegedly lease Channel 2. Antonio Ibarra told the workers that "the channel continues to be state-owned."

Girlani Martinez said that all of Sacasa's equipment "is being kept under lock and key" at Channel 2 facilities, and Deputy Minister Ibarra is "playing blind and deaf" to avoid honoring the promises he made to us. The labor leader added: "This confirms what this government is doing—saying one thing but doing another."

Economy Minister Hospitalized in Managua

PA1410044690 Managua BARRICADA in Spanish 13 Oct 90 p 5

[Text] Nicaraguan Economy and Development Minister Silvio de Franco is suffering from angina pectoris and has been hospitalized in Managua.

De Franco and other members of the government's economic cabinet were to travel to the United States next week. The purpose of the trip was to get the Inter-American Development Bank to grant Nicaragua $10 million.

Honduras Releases Six Detained Sailors, Soliders

PA1210000390 Managua Radio Sandino in Spanish 1200 GMT 10 Oct 90

[Text] The six members of the Nicaraguan Navy and Border Police who were abducted by the occupants of piranha boats coming from Honduras have been released to Nicaraguan authorities.

Their names are: Lieutenant Fermin Molina, Sub-Lieutenant Roberto Zapata, Gerardo Anria, and Denis Lopez, of the Nicaraguan Border Police; and Salvador Chevez and Jose Rivera of the Nicaraguan Navy.

They were released by a Honduran delegation comprised of Regiment Lieutenant Odilio Zapata and Infantry Lieutenant Jorge Alberto Casa, Honduran Navy commander [title as heard], who were guarded by a contingent of Honduran soldiers.

The Nicaraguan military delegation [as heard] was received in Potosi by a commission of Nicaraguan officers that included Major Manuel Chavez Montenegro, staff commander in the 2d Region; First Lieutenant Gerardo Fornos, chief of organization and deployment of the Nicaraguan Navy; and Captain Anibal Palacios, the Armed Forces operations chief of staff.

Supreme Court To View Ex-Diplomat's Extradition

PA1410182790 Mexico City NOTIMEX in Spanish 2134 GMT 10 Oct 90

[Text] Managua, 10 Oct (NOTIMEX)—The Managua Court of Appeals has accepted a habeas corpus writ against Foreign Minister Enrique Dreyfus that was filed by the relatives of a former Nicaraguan diplomat who was arrested in Japan in connection with drug trafficking.

According to the judicial note delivered on 9 October to Dreyfus, he has 10 days to present the necessary evidence on the case to the Supreme Court of Justice, which will issue a ruling on the habeas corpus.

William Tapia Aleman, former counselor of the Nicaraguan Embassy in Tokyo, was arrested by the Japanese authorities on 17 July after the U.S. Government accused him of participating in heroin trafficking activities in New York during 1987.

The Japanese Police arrested Tapia Aleman after the Nicaraguan Foreign Ministry agreed to withdraw his diplomatic immunity. The Japanese courts will soon rule on Tapia Aleman's possible deportation to the United States, where he would be tried for drug trafficking.

Jorge Huezo, former Nicaraguan ambassador to Japan, has publicly accused Foreign Minister Dreyfus of "abandoning" Tapia by giving in to the pressure from the U.S. Government, which failed to present enough evidence.

In a statement to a local newspaper, Tapia family's lawyer, Augusto Zamora, reported that he sent the former diplomat's lawyer in Tokyo a copy of the document in which the Nicaraguan court accepted the habeas corpus writ against Dreyfus.

Zamora said: "Perhaps the Tokyo court, which must issue a ruling on the deportation in a few days, will decide to wait until the Nicaraguan Supreme Court of Justice issues a ruling on the case."

D. Ortega Message to Arafat on Israeli Attack

PA1310130990 Managua BARRICADA in Spanish 11 Oct 90 p 4

[Message sent by former President Daniel Ortega to PLO Executive Committee Chairman Yasir Arafat; place and date not given]

[Text] Comrade Commander Yasir Arafat,

Chairman of the PLO Executive Committee,

On behalf of the Sandinist National Liberation Front, I address you, the PLO leadership, and the Palestine combatants to express our deepest feeling of indignation and sorrow over the massacre of Arab citizens in Jerusalem by the Israeli Army.

We are aware that the situation in the Gulf has been used to justify these actions which run counter to the most basic rights of the Arab communities in the Israeli-occupied territories.

We believe it is extremely necessary for an International Conference for Peace in the Middle East to be held under UN sponsorship and for immediate measures to be taken to supervise the territories occupied by Israel.

We are convinced that those who oppose the legitimate rights of the Palestinian cause will be unable to destroy the combative spirit of its people.

I reiterate our solidarity.

Daniel Ortega Saavedra

Daniel Ortega Urges U.S. Indemnification

PA1410183290 Managua BARRICADA in Spanish 12 Oct 90 pp 1, 5

[Text] The government should ask the International Court of Justice [ICJ] to officially declare the amount that the United States will have to pay Nicaragua as compensation for the heavy damage caused by the war of aggression launched and financed by that northern country.

Former President Daniel Ortega said this during a conference of evangelical pastors on 11 October, during which the coordinating committees of the Evangelical Committee for Development Aid (CEPAD) studied the commitments to be made in view of the tense and difficult situation in the country.

The pastors reflected on the Bible during two days of prayer and union at La Boquita and heard different opinions about the causes of the country's present crisis from commander Ortega and engineer Erwin Krugger.

The regional delegates presented the dramatic situation of the poorest sectors of the population, whose common denominators are unemployment, hunger, lack of medicine, illness, death, and pressures to turn over their land.

Commander Daniel Ortega said that Nicaragua will achieve stability when the government decides to make its economic adjustment policy more flexible and renounces its revengeful attitude. This way, he said, the minimum conditions will be created to avoid an increase in the just protests and demands of the workers, producers, merchants, and other sectors.

He referred to a program that, along with economic adjustments, contemplates investment plans to rehabilitate the country's infrastructure, which was damaged by the war and by the U.S.-imposed blockade.

The country demands, he added, that the government act simply within the framework of the law so that the United States will comply with the ICJ ruling. The indemnification will provide the resources to accomplish many of the much needed things, without any conditions attached.

He said that with those funds, legitimized by the ICJ ruling, there is no reason Nicaragua would have to accept the $300 million assistance on the condition that it withdraw its suit against the United States. If it does, it will have sold itself for a plate of beans, he said, recalling a Biblical phrase. [Esau sold his birthright for a bowl of soup]

Former Owner of Ortega's House Demands Property

PA1210153890 Managua Radio Catolica in Spanish 1130 GMT 11 Oct 90

[Excerpt] Decree 11-90 has been in effect for five months. This decree allows people who were unjustly deprived of their property to reclaim it through the government, which is to review such cases. More than 2,000 claims of this nature have been presented to the review commission, and there are reports that very few cases have been resolved. This law will be in effect until November. This means that it expires next month.

Members of the review commission have stated that as long as many of the laws that the Sandinists hurriedly passed before their term expired are not annulled, the commission will not be able to handle return-of-property requests. The members of the commission are referring to the Law on the Transfer of Residences, which permitted the transfer of hundreds of houses to Sandinist officials and militants.

Jaime Morales Carazo, one of Nicaragua's most important businessmen, was forced to live in exile during the 10 years of Sandinist government when the strongman of the past regime fell in love with his house. Morales Carazo is returning to the country to contribute to Nicaragua's reconstruction. He has published books which have been international successes. He also participated in the counterrevolutionaries' Council of Commanders and occassionally carried out operatons in some Nicaraguan mountains.

Now he is claiming his house and his property. He expects the government to fulfill its obligation in a de jure state and return his property, which was unjustly expropriated from him. Morales Carazo was trying to secure Red Cross aid for Nicaragua in Mexico when commander Daniel Ortega moved into his house. [passage omitted]

Panama

Four Soviets Desert Fishing Boat, Request Asylum

PA1210164190 Panama City EL SIGLO in Spanish 12 October 90 p 6

[Report by Eric Arce; all names as published]

[Text] Four Soviet citizens deserted a fishing boat early yesterday morning and turned themselves over to Panamanian authorities. They requested political asylum in our country and said that "under no circumstances would they return to the ship."

According to information obtained from reliable sources, who asked not to be identified, Soviet citizens Yevgeniy Golubev, Dmitriy Yaroshevich, Nikolay Ilinchuk, and Andrey Mokuyak deserted the ship Bereg Baltiki, or Rivera del Baltico [Spanish translation], a fishing boat with a Soviet flag. They left the ship in two small boats that were towed to the coast near Paitilla by local fishermen.

The request of the four Soviet citizens will be evaluated based on a questionnaire, which is in accordance with the 1951 Geneva Convention, to determine their legal status in our country. The deserters, who left the ship at 0300 on Thursday, were accompanied by a dog called Lana. The dog is currently in quarantine.

Immigration authorities were notified of the situation and will eventually provide more details on the case. The Foreign Ministry must determine the legal status of the four Soviet citizens after conducting the pertinent investigations.

Linares Views U.S. Economic Assistance

PA1210211690 Panama City LA PRENSA in Spanish 10 Oct 90 p 13 A

[Report by Jorge Luis Sanchez Carrera]

[Text] Economic assistance to Panama should not be subjected to the demands of the international financial institutions nor should the legislative branch be forced to approve laws that do not respond to national interests, Foreign Minister Julio Linares said during the monthly meeting of the Panamanian Association of Business Executives (APEDE).

Linares added that to receive the second disbursement of U.S. economic aid for Panama, there should not have to be an international agreement.

The foreign minister feels that if some international financial institutions do not take into consideration the immediate needs of the population, this could provoke public protests.

"It is also understandable that people might be concerned because we are being asked to provide acceptable evidence that we are carrying out reforms in the finance sector, in the public sector, in the privatization of state enterprises, and in labor and business policies," the foreign minister added.

According to Linares, the worst is not that Panama be ordered to install programs and make political reforms, because the same actions "necessarily have to be taken with or without any donation agreement, because this is what the national interest demands."

The minister emphasized that some persons mistakenly think that the programs and political reforms necessarily harm the Panamanian people.

"The possibility of receiving a donation does not necessarily force the executive branch to submit to the demands of the international financial organization and the Legislative Assembly to approve laws that do not respond to national interests," said Linares, one of the most controversial figures in Panamanian foreign policy.

Foreign Minister Linares said that in Panama the number of unemployed is 143,516 people, which represents 17 percent of the economically active population.

According to Linares, the country should quickly get rid of many state enterprises "which only produce losses."

During the APEDE meeting, special recognition was given to Fernando Manfredo for his work as former deputy administrator of the Panama Canal.

Linares Discusses Rio Group Summit

PA1310144090 Panama City EL PANAMA AMERICA in Spanish 11 Oct 90 p 23b

[Report by Carlos Vargas]

[Text] Panamanian Foreign Minister Julio Linares said yesterday that there is interest in creating a diplomatic abyss between Panama and the countries that form the Group of Rio. Linares used this term to refer to international news agencies that have been distorting his statements lately.

The Panamanian Foreign Minister said these distortions are aimed at creating an abyss between Panama and the Group of Rio countries.

"I believe that out of dignity and self-respect, the Panamanian Government will not attend the Group of Rio summit to request reinstatement," asserted Foreign Minister Linares.

The Foreign Minister added that his government and the Panamanian people have acted in a correct, worthy, and honorable manner, and it does not befit them to request reinstatement.

Linares noted that Panama's reinstatement is a decision that has to be made exclusively by the countries forming the Group of Rio.

Out of self-respect we have not made attempts to be reinstated by the Group of Rio, the foreign minister added.

The countries that currently form the Group of Rio are: Argentina, Brazil, Colombia, Mexico, Peru, Uruguay, and Venezuela.

Panama was temporarily excluded from the Group of Rio after former President Eric A. Delvalle unsuccessfully attempted to retire General Manuel Antonio Noriega.

Regarding diplomatic relations with Mexico, Linares said that they continue to be the same.

On the same topic, the Argentine EL CRONISTA DE BUENOS AIRES newspaper highlighted in its political section yesterday that the Argentine Government will not support any initiative to permanently dismiss Panama from the Group of Rio. The newspaper article noted that the Group of Rio began an important meeting to lay out its continental strategy in Caracas today.

The article mentioned that top level Argentine Foreign Ministry officials had said that the decision on Panama "would be taken by consensus and that nobody seemed willing to give the civilian government of Guillermo Endara the same treatment that was given to the dictatorship of Manuel Noriega."

EL CRONISTA DE BUENOS AIRES also reported that Argentina and Brazil had already agreed not to discuss the Panama issue "in terms of definite exclusion."

The Group of Rio, which will now be called the Group of Caracas, is also formed by Chile and Ecuador. The group will study the possibility of having Bolivia and Paraguay join them in the near future.

Money Laundering To Be 'Severely Punished'

PA1410161990 Panama City EL SIGLO in Spanish 11 Oct 90 p 3

[Report by Yall Enrique Pitti]

[Text] President Guillermo Endara Galimany has announced that any persons or banks violating the regulations on money laundering will be severely punished according to the law.

Guillermo Endara said that money laundering operations were banned by the new government. The government established that all operations "in excess of $10,000 must be registered, because this is the best way to control money laundering. This is a strict measure that is being implemented," he said.

When asked about his connections with Interbanco, a bank that is reportedly involved in money laundering operations resulting from international drug trafficking, the president admitted that he was the secretary of the bank following the death of Dr. Galileo Solis. "I was a director until recently when I resigned," Endara said.

When he was harassed by reporters, however, about the charges of money laundering operations involving local banks and companies, the president of the Republic said that he does not know what our banks do because he was not involved in the administration of any bank. "I have never been involved," he said.

Meanwhile, concerning the "hot issue" of money laundering as a result of international drug traffi.cking, the attorney general of the Republic, Rogelio Cruz, pointed out that "we have always said, and we will continue to insist" that there is money deposited in our banks in Panama that comes from illegal drug trafficking.

Attorney General Cruz warned, however, that this does not mean that at present there is a bank that engages in money laundering operations. He said that there used to be a bank that engaged in such activity, but it was liquidated because of its illegal activities.

Meanwhile, Edgardo Lasso Valdes, president of the Panamanian Banking Association said that all charges against banks allegedly involved in money laundering must be investigated. He also said that some persons being investigated for drug trafficking have accounts in certain banks.

"First, we must prove the charges to see if in fact the owners of those accounts are involved in drug trafficking. Later, it must be proven if the banker knew the money was coming from drugs. The fact, however, that certain accounts in a bank are being investigated does not turn the bankers into criminals," Lasso said.

The president of the Panamanian Banking Association feels that all banks in Panama and everywhere else in the world should be investigated because, according to him, "drug money goes through every bank in the world," he stressed.

'Insidious Campaign' Against Endara Reported

PA1310191090 Panama City EL DIARIO INDEPENDIENTE in Spanish 13 Oct 90 p 23

[Text] An insidious campaign of discredit began over the weekend in the United States, Europe, and part of South America in the aftermath of a wave of attacks against President Guillermo Endara Galimany. Endara is a prominent Authentic Panamenist Party [Arnulfista] member and the visible head of a coalition of democratic parties that defeated the dictatorship in the May 1989 elections. The coalition was made up of the Civic Crusade, Molirena [Nationalist Liberal Republican Movement], the Christian Democratic Party, and the Authentic Liberal Party.

The campaign turned particulary spiteful in Miami yesterday, when certain television stations began airing distasteful personal attacks against the personal lives of the president and his young wife Ana Mae. These programs were watched with dismay by resident Hispanics who know of Guillermo Endara's good track record. Endara, who is a practicing Catholic, lived in Miami for many years.

Certain international wire services and television stations have cooperated in the campaign. For example, in Caracas, many news items datelined Panama City have been received that try to link Endara to drug trafficking.

In view of the growing coup rumors against the constitutional president, Arnulfista followers have began to organize. A rumor circulated last night that members of the Institutional Protection Service that guards the president were in their garrison, prepared for any attempt to violate the constitution and the law.

Preliminary intelligence reports seem to establish that the groups that are trying to politically destabilize President Endara not only use mercenary journalists that follow antipatriotic instructions, but even people from the official sector who, right from the start of the administration, have done their best to hinder the democratic process' consolidation and the recovery of our financial system.

Endara Discusses Labor Code, Demonstrations

PA1310165390 Panama City Radio KW Continente 1200 GMT 11 Oct 90

[Report on Guillermo Endara statements; place and date not given]

[Text] President Guillermo Endara Galimany has said that workers find it very difficult to negotiate better working conditions because of the current economic situation.

[Begin Endara recording] These are not labor code reforms as I understand them; rather, they are rules that are outside the labor code and that concern collective barganing. It is very difficult for the workers to negotiate better working conditions because of the current economic situation. To normalize things—especially in this very conflictive field that could become a very big problem for Panama, Panamanians, and especially the workers—we feel that the best thing for the Panamanian worker is to extend these collective barganings together with the agreed upon wage increases. We need this period of industrial peace, and we doubt that workers could get these wages under the current economic conditions. I believe this is a way to help Panamanian workers and at the same time attain industrial peace during this very difficult period of economic recovery. [end recording]

Referring to the people's dissatisfaction and protests on the streets of Panama, the president said:

[Begin Endara recording] I talked to an East European labor leader who told me that the transition from democracy to a dictatorship was no problem because dictatorships immediately clamp down on everything, but when going from a dictatorship to a democracy, one meets all sorts of problems. This is what we Panamanians are doing. It is not just the president and his cabinet, but all Panamanians are making a transition from a dictatorship to a democracy. There are people who take advantage of freedom or who do not know how to use it. They need to learn how to use their freedom. People must learn that freedom exists until it starts to affect some one else's freedom. Taking advantage of freedom cannot be used as a pretext to limit someone else's freedom.

We Panamanians must learn that we cannot exercise the right to carry out demonstrations in a way that is detrimental to the other Panamanians' right to move about freely. This is why we have to start implementing stronger constraint measures. When I say we, I do not mean just the president; I mean all Panamanians. My freedom of movement is not being obstructed because I am working at the Presidency. I am not on the streets, but the Panamanians do have to use the streets, and I am concerned about them. The Panamanians have to defend their future and their rights. This is why we must exert generalized pressure, from the president on down, everybody, so that rights are exercised to the detriment of no one. [end recording]

Customs Director Links Kidnapping to Traffickers

PA1310135390 Panama City Circuito RPC Television in Spanish 2300 GMT 10 Oct 90

[Report on Customs Director Rodrigo Arosemena statements; place and date not given]

[Text] The kidnapping and torture of a Customs Directorate official has been linked to a gang of drug traffickers which has been adversely affected by that institution's antidrug policies. The official, whose name was not disclosed, was kidnapped on her way to work in the morning of 8 October. She was found unconscious at 1930 that night after her kidnappers left her at a checkpoint very near the Customs Directorate. She was taken to Paitilla Hospital and was placed in the intensive care unit. Her physical state is satisfactory, but she has been psychologically affected.

[Begin Customs Director Rodrigo Arosemena recording] She was not raped. They struck her and burned her with a hot iron. She was forced to take cocaine and was given some pills that put her to sleep. [end recording]

The General Customs Directorate had confiscated about 800 kg of cocaine, found mostly at Tocumen Airport. This is what is bothering the drug lords. The rumor has it that this gang is made up of Colombians, Jamaicans, Puerto Ricans, and North Americans who operate out of Panama. The Judicial Technical Police is on the lookout and could make some important arrests in the next few hours.

[Begin Arosemena recording] We shall soon be arresting this criminal gang, which is not really part of the bigger drug cartels in Panama. This gang is probably in cahoots with officials who work here and who supply information to outsiders—former employees who have been dismissed since I became customs director—to try and destabilize this institution. [end recording]

SOUTH AMERICA

Argentina

Withdrawal of Personnel From Iraq Denied

PY1210191690 Buenos Aires DYN in Spanish 1822 GMT 12 Oct 90

[Text] Buenos Aires, 12 Oct (DYN)—The Foreign Ministry today denied that Argentine Embassy personnel in Iraq have been withdrawn and transferred to Jordan.

The explanation was made after Iraqi Ambassador Taha Yassin al-Basri asked the Foreign Ministry why Argentine Ambassador Geronimo Cortes Funes and Minister Counselor Guillermo Rivarola, who are accredited to the Baghdad government, were transferred to Amman. The Argentine ambassador to Iraq also serves as concurrent ambassador to Jordan.

The Foreign Ministry reported in a communique that the two diplomats are currently in Jordan "concluding several activities related to a mission entrusted to them by the Foreign Ministry, which was successfully fulfilled when all the Argentine citizens who wanted to leave Iraq and Kuwait were able to leave."

The communique adds that, as planned, Ambassador Cortes Funes will return to Baghdad on 15 October, and Counselor Rivarola will remain in Jordan "until his mission is fulfilled." The communique concludes by saying that "this Foreign Ministry will also keep is Amman office open, as other diplomatic posts in Baghdad are doing."

Deputy Samid Returns From Iraq, Discusses Crisis

PY1310022090 Buenos Aires DYN in Spanish 1506 GMT 12 Oct 90

[Excerpts] Buenos Aires, 12 Oct (DYN)—Alberto Samid, Peronist deputy for Buenos Aires and former presidential adviser, has said that President Menem has not delivered on his promises and that it is a lie that "we are in a bad situation that is bound to get better." The fact is that "we are in a bad situation that is bound to get worse," he said.

After his return from a recent eight-day trip to Iraq—to which he donated 30 tons of meat and medicine—Samid spoke to Radio Continental and harshly criticized President Menem, who dismissed him as presidential adviser after he criticized the government's decision to send troops to the Persian Gulf. [passage omitted]

Samid said that his trip to Iraq was made at the invitation of the president of that country, Saddam Husayn, who gave him a letter of thanks for his gesture to help the Iraqi people with a donation. [passage omitted]

He noted that the Americans are doing a "fabulous business" with the Persian Gulf crisis, keeping Iraq from selling its oil while they pay Saudi Arabia $12 for barrels of oil that could be sold for $42, thus "making $60 million per day for themselves." Samid also said that the Americans are collecting $20 billion for a common fund to defray the cost of the Persian Gulf crisis, including "payments for the voyage of our ships now sailing toward the Persian Gulf."

Menem Returns From Rio; Cavallo Comments

PY1310151090 Buenos Aires DYN in Spanish 1350 GMT 13 Oct 90

[Excerpt] Buenos Aires, 13 Oct (DYN)—This morning President Carlos Menem returned from Caracas, Venezuela, where he attended the Rio Group presidential summit.

President Menem, who arrived at Ezeiza International Airport at 1000 GMT along with Foreign Minister Domingo Cavallo and other officials, left the airport without making any statement to the press.

Foreign Minister Cavallo said the Caracas summit was "one of the best Rio Group meetings ever." He added that Argentina is completely satisfied with the agreements that were achieved.

Cavallo said he is pleased about "the establishment of a consultation and political consensus group that will develop activities to parallel those that have already been undertaken to achieve economic integration." This group will have similar tasks to those developed by the EEC and the European Parliament in Europe. [passage omitted]

Group of 8 To Split From Peronists in Congress

PY1210132690 Buenos Aires DYN in Spanish 1230 GMT 11 Oct 90

[Excerpt] Buenos Aires, 11 Oct (DYN)—The so-called Group of Eight has called on "all of the Argentine people" to participate in the event on 17 October at Plaza de Mayo to commemorate the "day of loyalty," and it announced its imminent split from the bloc of Peronist deputies headed by Jose Luis Manzano.

Meanwhile, a CGT-Azopardo [General Labor Confederation-Azopardo faction] spokesman has stressed that Saul Ubaldini will not participate in the event despite an official invitation from the group and that pressure is being applied by some sectors to guarantee the participation of the brewery workers leader.

Referring to the decision to break away from the bloc, Deputy Carlos Chacho Alvarez said: "We have already adopted the political determination of creating our own bloc, and we are studying when to do so."

Moreover, other members of the group have told DYN that the eight effectively broke away from the bloc headed by Manzano at the beginning of the extraordinary session of Congress. [passage omitted]

UCR Opens National Convention 12 October

PY1310021290 Buenos Aires TELAM in Spanish 0057 GMT 13 Oct 90

[Excerpt] Mar del Plata, 12 Oct (TELAM)—The national convention of the Radical Civic Union [UCR] began its deliberations this afternoon to reform the "political action policy" of the party. The UCR is divided into three large blocs: the Alfonsin faction; the [Eduardo] Angeloz faction [named after the current governor of Cordoba Province]; and the Federico Storani faction, a splinter group of the Alfonsin group named after the national deputy.

Just before the opening of the convention, there were some incidents between rival factions, which for a brief time spilled into the convention hall. Alfonsin and Angeloz supporters created a ruckus, pushing and punching each other until party authorities were able to impose order.

The convention was convened by Alfredo Concepcion, president of the caucus, at the facilities of the Mar del Plata Stadium, and party President Raul Alfonsin read an approximately one-hour-long address (separate dispatch). [passage omitted]

Violence Interrupts UCR Convention

PY1410234090 Buenos Aires BUENOS AIRES HERALD in English 14 Oct 90 pp 1, 4

[Excerpt] (DYN-NA) Mar del Plata—The Radical Party national convention was interrupted yesterday by flying chairs thrown at each other by rival party factions.

Police intervened to break up the rumpus and the convention was interrupted for a full half hour until calm returned to the proceedings.

A number of people were injured and two were taken to hospital here yesterday. One young man suffered from cuts to the head and an elderly woman was also admitted to hospital for head wounds after being hit by a chair.

They were identified as Silvia Anillar, 42, and Marcelo Rodriguez, 23.

The melee broke out at 5pm as supporters of Party Chairman Raul Alfonsin and rival contender Eduardo Angeloz started shouting abuse at each other. Soon metal chairs began to fly through the air. An unidentified convention organizer came to the microphone to try and impose order. "Stop. You're behaving like Peronists," he shouted.

Cordoba Government Secretary and party leader Luis Molinari reported the existence of "armed thugs" at the covention. We don't enjoy coming to the convention and having to face groups of armed thugs," said Molinari, who is the vice-president of the Cordoba branch of the Radical Party.

Party Chairman Raul Alfonsin's opening speech on Friday was condemned as "deplorable, inappropiate" by Angeloz supporter Antonio Troccoli yesterday.

"He shouldn't have employed the terms he used," Mar del Plata Mayor Angel Roig said. Alfonsin declared Angeloz a "traitor" for supporting current government economic policy. [passage omitted]

Seineldin Followers Retire From Army

PY1210175990 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1522 GMT 11 Oct 90

[Text] Rosario, 11 October (NA)—General Hugo Sabino Fernandez, the commander of the 2d Corps which is seated in Rosario, has confirmed that three Army noncommissioned officers—who have links with the "painted face" sector—have voluntarily retired.

The officers in question, identified only by their last names, are: Noncommissioned Major [Suboficial Mayor] Escobar, Noncommissioned Principal Vallejos, and First Sergeant Rameta.

Escobar was a member of the 2d Armored Cavalry in Parana, Vallejos was a member of Gen. Fernandez' [words indistinct], and Rameta was a member of the 2d Corps Intelligence Department.

These noncommissioned officers are presumably part of a group that is active within the 2d Corps together with other military personnel and civilian personnel of the Air Force intelligence service and this is why a thorough investigation is being carried out to establish the scope of this internal plot, which appears to be seeking to oust the current leaders of the institution.

Gen. Fernandez said: "These three noncommissioned officers are believed to belong to a dissident group which upholds certain ideas that I resect," although "for me their ideas are unacceptable because they apparently answer to another chief of staff."

He added: "These military personnel have two staffs—one appointed by the executive branch, [words indistinct] legal, to which the Army must respond because it is a vertically integrated organization, and another staff headed by Colonel Seineldin (retired)."

Fernandez said: "These three noncommissioned officers attended secret meetings at the Parana Military Garrison, where they viewed and discussed video cassettes dealing with Colonel Seineldin and his actions and ideals on national and institutional affairs."

Fernandez said that once he learned about the events that occurred in Parana, he summoned the dissident noncommissioned officers who requested their voluntary retirement.

Fernandez added that Escobar and Vallejos will retire, but that Rameta, who does not yet meet the mandatory 15 years of duty, has requested a discharge.

PC Leader Charges Leadership With Corruption

PY1210192990 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1310 GMT 11 Oct 90

[Text] Buenos Aires, 11 Oct (NA)—Communist Party [PC] leader Alberto Nadra has resigned from the party, denouncing that "a special handful of leaders enjoy privileges that can only be obtained from corruption and theft."

Nadra said that the present leadership continues "to leave militants and even the central committee out of a good part of the decisionmaking process, including the financial area."

Nadra follows in the footsteps of his father, Fernando, who also resigned from the PC. Nadra said that he demanded "an account of the financial situation, but they refused, answering with aggression and death threats."

Nadra said that such threats are "typical of killers and commando groups, unthinkable in men who call themselves revolutionaries and humanists."

"They want to hide the fact that a group of leaders enjoys privileges that can only be obtained from corruption and theft, while many others do not have enough money to print leaflets—people go hungry, live in the streets, and have no jobs after decades of sacrificing for the party," Nadra stressed.

Nadra added: "To shut me up they called me an agitator and even said that I was a policeman. They are shameless. These charges were leveled by them, the individuals who pull the strings of the sinister apparatus of internal control."

The former PC leader said: "They are nothing less than agents who followed the organic links created by the dictatorship and who strengthened their grip on power by perpetuating themselves in the leadership, which is why they have not given an account or offered an explanation."

"This is, without a doubt, a sinister and secret story, as secret as the story of the party finances," Nadra added.

Nadra said in his letter of resignation: "I assume full responsibility for the good things and particularly for the bad things that the party did during and after the 16th Congress." He added: "Nothing new can be built, much less rebuilt, without the ethical desire to assume that responsibility."

Alberto Nadra was a member of an independent faction within the Central Committee. It is estimated that a large group aligned to this faction might also decide to resign.

Executive Branch Promotes Chief of Staff

PY1210230790 Buenos Aires LA PRENSA in Spanish 12 Oct 90 p 3

[Text] The executive branch has promoted the following chiefs of staff: Vice Admirals Emilio Osses and Jorge Ferrer; Division General Martin Bonnet: and Brigadier Major Jose Antonio Julia to the ranks of admirals, lieutenant general, and brigadier general, respectively.

With the appropriate agreement of the Senate, these promotions were ordered through Decrees 2132, 2133, 2134, and 2135.

Army Announces Upcoming Exercises 15-20 Oct

PY1410005690 Buenos Aires DYN in Spanish 2138 GMT 13 Oct 90

[Text] Buenos Aires, 13 Oct (DYN)—The office of the Army chief of staff has reported that the 10th Mechanized Infantry Brigade headquartered in La Plata will

carry out five days of military exercises starting on October 15. These exercises will include the deployment of troops toward Mercedes, a city in Buenos Aires Province, and the participation of Navy units.

The communique of the chief of staff stated that the 10th Brigade will "deploy Army and Navy units from the cities of La Plata, Arana, La Tablada, Ciudadela, Villa Martelli and Pablo Podesta to Mercedes, Buenos Airs Province, from 15 though 20 October for military exercises."

Bolivia

Arrests Reported in Attack on U.S. Marines

PY1210135090 La Paz La Red Panamericana in Spanish 1130 GMT 12 Oct 90

[Text] Interior, Migration, and Justice Minister Guillermo Capobianco has said that the terrorist attacks that took place on 10 October harm Bolivia's current democratic process. This is an attack against the democratic process, and there is a wish to destabilize the national government headed by President Jaime Paz Zamora, the minister said. He added that government security organizations are carrying out the appropriate investigations to clarify the attack with U.S. help.

Minister Capobianco reported that some people have been arrested as a result of the attacks, although he did not want to reveal how many since all efforts are concentrated on continuing the investigation. He said progress was made in the investigations when one of the vehicles used by the terrorists was found abandoned in (Tembaderani). The vehicle is currently undergoing expert study. The police found bloodstains in it as a result of shots fired by one of the policemen who was shot; he wounded a member of the Nestor Paz Zamora Commando Group, the minister reported.

The minister ruled out the possibility of a connection with the Shining Path terrorist group, which operates in Peru. It is part of an anti-democratic plot and basically has national roots, the minister said.

When asked about the name used by the group, which is that of President Paz' brother who died of hunger in the Teoponte guerrilla struggle, the interior minister said it corresponds to a retrospective on history and that time has demonstrated that the path used by the guerrilla was wrong. The minister said the government security organization will act, if necessary, in close cooperation with the intelligence community and international organizations.

Capobianco denied that threats against the president, which were denounced by the Special Antinarcotics Force commander, are related to the attacks. One thing has nothing to do with the other, he said, adding that the Nestor Paz Zamora Committee document clearly establishes that it is not connected to narcoterrorism.

As for the Zarate Willka group, the minister said it has not yet been possible to completely dissolve this organization; however, he said, several group members are being tried in court. According to the minister, the government security organizations learned of the existence of this committee exactly a month ago through its initials, which were painted on walls in some streets of La Paz.

The minister said that the appropriate organizations are working fully to clarify the attack and to try, if possible, those who were responsible for the attack, which had regrettable results. Finally, Minister Capobianco said that the injured policeman is recovering from his wounds, a fact that pleases his colleagues.

Paz Assesses Country's Entry into Rio Group

PY1310162290 La Paz La Red Panamericana in Spanish 1130 GMT 13 Oct 90

[Text] President Jaime Paz Zamora has said that the country's entry into the Rio Group is important for the nation and for Latin American integration.

Bolivia was invited to join the group. This is very important because the Rio Group has become a serious agent for political integration now, and economic integration later.

Bolivia was admitted as a member of the Rio Group, which is meeting in Caracas, Venezuela. The group called on various nations to join the new organization as a way of strengthening their members' relations and structures. Paz said that if Bolivia did not join the organization it would be left dangerously isolated from a process of integration in which the most important regional countries are participating.

According to the president, the Rio Group will become a dynamic factor in the process of integration and will eventually combine all of the continent's smaller integration processes. This is a much more mature expression politically. I think it will be in line with expectations in Europe and the United States because when they wanted to talk to Latin America previously, they did not know who to talk to, Paz said.

These were the president's remarks when expressing his satisfaction with the invitation to participate in the Rio Group and join the list of nations which, acting as a bloc, will become important in the near future.

Further on Changes in Military High Command

PY1210221090 La Paz PRESENCIA in Spanish 4 Oct 90 p 7

[Excerpt] President Jaime Paz Zamora removed several chiefs of the military high command yesterday. The unexpected decision was made in the morning with the signing of Decree 22614 just a few days after the government confirmed those military officers in their posts.

In a ceremony held in the hall of Government House, the captain general of the Armed Forces, as authorized by the Constitution, swore in Generals Guido Sandoval Zambrana and Alejandro Camponovo Ulloa as the new commanders of the Army and Air Force, respectively. They replace Generals Rolando Espinoza and German Calleja.

The decree also orders the appointment of General Victor Guzman Bruno as chief of staff of the Armed Forces Command, replacing General Victor Hugo Balderrama. The decree confirms General Jorge Moreira as commander of the Armed Forces and Admiral Anibal Gutierrez as commander of the Navy. [passage omitted]

ADN Secretary Says Party Knew

PY1210224290 La Paz PRESENCIA in Spanish 5 Oct 90 p 8

[Excerpts] Jorge Landivar Roca, executive secretary of the Nationalist Democratic Action [ADN], said President Jaime Paz Zamora told the Patriotic Agreement some time ago about the removal of the military commanders. He said that the changes were not unexpected and that the ADN had been consulted.

He explained that the replacement of the military commanders was scheduled for October and not for December, as is traditionally done. He said: "The fact that there were anonymous reports over the past few days was only an unimportant coincidence. They have nothing to do with the changes in the high command." [passage omitted]

Carlos Farah, president of the Senate Defense Committee, said that the removals took him by surprise and that he didn't know anything about them until 1015 on 3 October. He said: "I only heard about what was going on when I received a call from Government House." [passage omitted]

He said that, according to rumors, the removals were made because there was dissatisfaction over administrative matters and the unjustified punishment of some officers. He added that the committee was not able to verify this and that therefore "it is not official."

Finance Minister on Negotiations in Washington

PY1210224590 La Paz EL DIARIO in Spanish 2 Oct 90 p 3

[Text] During the recent annual meeting of IMF and World Bank governors, it was decided to maintain for a second year the expanded Structural Adjustment Program under which the Bolivian Government will receive disbursement of $30 million before December 1990. The remainder of the promised $60 million will be disbursed by March 1991. This money will be used to prop up the Bolivian balance of payments.

This information was disclosed by Bolivian Finance Minister David Blanco, who reported that the agreement signed with the IMF will allow Bolivia to receive additional funds from key multilateral cooperation institutions because the signing of the letter of intent provides strong backing in the eyes of the international community. This means that the flow of cooperation toward Bolivia will continue.

The finance minister explained, however, that the document that the Bolivian mission and high-ranking IMF officials signed in Washington will be reviewed for the last time on 12 October, when the disbursement of $60 million will be approved.

The minister also said that Bolivian Government officials will be meeting with IMF officials over the coming months to examine the prospects for continuing the Structural Adjustment Program for yet another year—specifically for the period between December 1991 and December 1992.

David Blanco expressed some hope that similar agreements may be reached in the future to provide backing for the Bolivian economy. He added that at the recent meeting of IMF and World Bank governors, Bolivia demonstrated better than ever that it is implementing a coherent and serious economic policy that has elicited the admiration of the international community.

The minister acknowledged, however, that the economic situation in June this year was worrisome because according to the IMF, Bolivia was not going to be able to fulfill the established objectives; however, the IMF also noted that the situation had been reversed by September this year, and it decided to lend its support to Bolivia.

Blanco added that the improvement of the economic situation in Bolivia was due to tax adjustments, the reduction of custom duties, and other related measures which have allowed Bolivia to take the lead among Andean Pact countries. The minister also said that Bolivia expects to take the lead among Southern Cone countries as well because they are interested in all the details concerning Bolivian economic policy and management techniques.

Blanco reported that negotiations with high-level World Bank officials were successful and that Bolivia obtained $10 million which will be used for public health projects.

He added that Bolivia had requested $25 million, of which $15 million will have to be negotiated with the Consultative Group which includes Austria, Spain, Germany, Belgium, and the OPEC countries, and the requested amount may be paid into the Social Investment Fund (FIS). Blanco said that the World Bank has been asked for $30 million for the agricultural sector. Other large amounts have been requested for the exploitation of hydrocarbons.

The finance minister concluded by saying that he carried out important negotiations with the IDB president to secure the continuity of key projects that are already under way and assistance for other projects that will

require IDB support, such as the gas duct project, infrastructure development, agricultural development, and others for which the IDB had promised assistance. Blanco said that he would provide details of these negotiations in the near future.

Minister Calls for Private, Foreign Investments

PY1210221790 La Paz PRESENCIA in Spanish 5 Oct 90 p 4

[Text] The Bolivian State is not capable of investing more than $400 million per year, and so private investment is needed to ensure greater economic growth according to Planning and Coordination Minister Enrique Garcia. He added: "At this time Bolivia needs a slight push to get it over the hill."

Minister Garcia delivered a lecture on the "Investment Atmosphere and Recent Regulations" during the seminar on "Investment Promotion in the Andean Subregion." This seminar was sponsored by the Andean Development Corporation (CAF).

"The fact that (this year's) economic growth has not surpassed three 3 percent is not a valid cause for frustration. Private investments are needed to make our GDP grow faster because the state is not capable of investing more than $400 million per year," Garcia said.

According to the minister, Bolivia needs private foreign investments to fill the vacuum left by the shortage of domestic savings. He added that the laws that were approved recently make Bolivia attractive for foreign investors.

He said that over the past few years Bolivia has implemented key economic measures that have led to in-depth changes and have established clear ground rules.

Garcia acknowledged that there are certain negative aspects, like some decisions which have undermined the image of the Bolivian Government; for example, the suspension of talks with the Lithco Company (regarding the exploitation of the Uyuni salt deposits).

The government, however, is making corrections to overcome these problems. There is the political will, and this has led to the approval of the law on investments, Garcia said.

Ministers To Examine Initiative for the Americas

PY1210204190 La Paz PRESENCIA in Spanish 2 Oct 90 p 1

[Text] This month Bolivia will host a meeting of Latin American economy and finance ministers who will examine a proposal for joint negotiations with the United States within the framework of President George Bush's Initiative for the Americas.

This announcement was part of report that Bolivian Finance Minister David Blanco released to the media yesterday on the activities of Planning Minister Enrique Garcia and himself in Washington, from where they returned on 28 September.

According to Blanco, Bolivia has been chosen to host the meeting because it is the first country to have come up with an official proposal within the framework of the U.S. initiative which seeks to increase the cooperation between the United States and Latin America in the fields of investment, development, and foreign debt.

Oruro Approved as First Free Zone for Industry

PY1310024590 La Paz PRESENCIA in Spanish 5 Oct 90 p 4

[Text] Industry, Commerce, and Tourism Minister Guido Cespedes has reported that, according to a resolution approved on 3 October by the National Council of Free Zones and Assembly Companies [Maquila], Oruro has become the first free zone for industry, trade, industrial services, and warehouse terminals.

The resolution is the government's positive response to a request presented by Oruro businessmen. The minister explained that the free zone is expected to be implemented over the next eight months.

"I believe the resolution is a success because it will contribute to the social and economic development of Oruro Department and open doors to a new way of developing the economy and producing and modernizing foreign trade. Most important of all," he said, "it will create new jobs in Oruro."

'Political Criteria' Basis for Resignation

PY1310163290 La Paz La Red Panamericana in Spanish 1130 GMT 13 Oct 90

[Excerpt] Comibol [Mining Corporation of Bolivia] President Wilfredo Salinas has resigned from his post. Salinas sent a note to President Jaime Paz to that effect.

In the note Salinas says he will remain at the disposal of the National Comptrollers Office for an impartial inquiry into his case. Salinas Calderon said in a news conference that he saw the need to resign because two out of the three institutions handling complaints on gold concessions in the (Labaque) region were obviously biased and used political criteria instead of legal arguments to judge his decisions. [passage omitted]

Politician Rejects Drug Trafficking Charges

PY1310165690 La Paz Television Boliviana Network in Spanish 0030 GMT 13 Oct 90

[Excerpts] In a news conference in Santa Cruz de la Sierra, General Hugo Banzer Suarez—president of the Patriotic Accord Political Committee—rejected the contents of a newspaper article alleging his participation in illegal activities. Later, Oscar Franco, acting president of the Movement of the Revolutionary Left, offered Gen.

Banzer Suarez his solidarity and that of the president of the Republic and other members of his party.

[Begin recording, in progress] [Unidentified reporter] ...were present at the news conference granted by the main leaders, in which Gen. Banzer Suarez categorically rejected the contents of an article published in a Santa Cruz morning paper. Here is part of the news conference in which the political leaders expressed their full support for Gen. Banzer Suarez and rejected the charges stating that Gen. Banzer Suarez and Foreign Minister Guillermo Capobianco are involved in drug trafficking.

[Banzer Suarez] After the terrorist attack that took place in La Paz two nights ago—about which you all must have heard—a terrorist group released a document trying to explain the attack. After a long analysis, the document concludes by charging two people who have important positions in the Patriotic Accord with drug trafficking. I am one of the people charged with drug trafficking, but this does not affect me because I have been charged with that many, many times. We cannot fool the people, however. The people know very well who the drug traffickers are. [passage omitted]

My conscience is at peace, and I would not be here with all of you if I was directly or indirectly involved with drug trafficking. I have always fought it. [passage omitted]

I categorically reject these charges and place myself at the disposal of any court—international or national, primarily a national court—and at the disposal of journalists who report good and bad news to Bolivians. I place myself at the disposal of a series of mechanisms that exist in the country and are connected to the fight we are all staging to free our country from this scourge. [end recording] [passage omitted]

Brazil

Itamaraty Announces President Bush To Visit

PY1210130890 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 12 Oct 90

[Text] U.S. President George Bush will visit Brazil at the beginning of December. Manaus will be the first city that the U.S. President will visit. On 11 October, Itamaraty officially announced U.S. President George Bush's visit to Brazil on 2-4 December. His itinerary was not revealed because it is not ready. Since the U.S. President will visit Manaus first, Itamaraty will send a preparatory mission to Manaus on 14 October.

It was recently reported in Brasilia—although not confirmed by Itamaraty—that President Bush would like to visit the Ianomami Indians. Foreign Minister Francisco Rezek said that everything done by this administration is open, so there is no problem with a possible visit by President Bush to Ianomami Indian territory.

President Bush's visit to Brazil will extend to Argentina, Uruguay, Chile, and Venezuela; the objective is to intensify talks and discuss bilateral cooperation. The United States is Brazil's traditional main trade partner, and the trade balance has always favored Brazil; however, U.S. officials who recently visited Brazil (?expressed their wish) to seek a fairer equilibrium in this relation.

Collor Evaluates Visit by Mexican President

PY1210162090 Rio de Janeiro O GLOBO in Portuguese 11 Oct 90 p 7

[Text] Brasilia—"The agreements we signed mark a dividing line in the level of our relations. From now on we will be much closer." This was President Collor's evaluation of Mexican President Carlos Salinas de Gortari's visit to the country. The two presidents spent two days talking about Latin American integration. They signed four agreements to increase bilateral relations between the two countries, which have decreased in the past few years—an agreement on the environment, one on economic and financial [fazendario-financeira] cooperation, one on joint investments, and one on international public bidding.

Collor thinks he and the Mexican head of state have some things in common. The two belong to the same generation and are implementing government programs that in Collor's opinion are very much alike—economic opening, deregulation of the state, association with international capital, and "the desire for a sovereign, competitive participation in the new world that is emerging."

The two presidents harshly condemned Iraq's invasion of Kuwait and "demanded an immediate withdrawal of the invading troops." Despite the fact that Mexico is, in all respects, much closer to the United States than Brazil, Salinas agreed that U.S. President George Bush's proposal known as the "Initiative for the Americas" needs to be clarified. The two governments want Bush's idea of creating a free trade zone in Latin America to be "equitable and nondiscriminatory, and to have effective mechanisms."

The two governments also want to increase their bilateral trade, which dropped to a little over $500 million last year after surpassing the $1 billion mark in 1981. Mexico offers customs and tariff advantages for the introduction of foreign products into its territory. The average import duty is three percent.

Cabral Resigns, Passarinho Assumes Position

PY1310174490 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 13 Oct 90

[Text] Justice Minister Bernardo Cabral has just given his irrevocable resignation to Planalto Palace. The announcement was made by the outgoing minister himself.

[Begin Cabral recording] On 8 October I gave President Fernando Collor a letter requesting irrevocably that I be

relieved of the post of justice minister. His Excellency Fernando Collor, with reciprocal sentiments of loyalty, then asked me to wait for a few days until a successor could be found. [end recording]

The new justice minister will be Senator Jarbas Passarinho from the PDS [Social Democratic Party], of Para State.

[Begin Passarinho recording] I assumed the responsibility at the invitation of the president of the Republic, fully aware of the seriousness with which I will have to deport myself, and with the satisfaction of maintaining contact with Minister Cabral, as we have done for 31 years now. [end recording]

Affair Said Cause of Resignation

PA1310193290 Madrid EFE in Spanish 1730 GMT 13 Oct 90

[Text] Brazilia, 13 Oct (EFE)—Brazilian Justice Minister Bernardo Cabral resigned today following rumors about his affair with Economy Minister Zelia Cardoso de Mello.

Following a meeting with Brazilian President Fernando Collor de Mello, Bernardo Cabral announced that he had presented his resignation on 8 October and that the president had replaced him with Senator Jarbas Passarinho, leader of the Social Democratic party (PDS), who will take charge of the ministry on 15 October.

Speaking at the Do Planalto Presidential Palace, Senator Passarinho, a former Army colonel and former government minister under General Joao Figueiredo, said that he hopes to support President Collor with his congressional experience.

Cabral, a former leader of the Organization of Brazilian Attorneys (OAB) and former deputy for the Brazilian Democratic Movement, achieved nationwide prominence as the spokesman for the commission which in 1987 prepared the draft of the current Constitution.

He was one of the first politicians who last year joined Collor de Mello's electoral campaign, when the former governor of Alagoas was then considered a newcomer with little possibility of attaining the presidency.

Following his ministerial designation, Cabral confronted difficulties which began as a few legal mistakes when he adopted measures which the Federal Supreme Court (STF) considered unconstitutional.

What seems to have prompted his resignation, however, was a press report that Cabral, who is married, was having an affair with Economy Minister Zelia Cardoso de Mello, which has never been denied.

Cabral's resignation constitutes the first ministerial crisis for Collor de Mello who, upon designating his ministers, said that they would stay on until the end of his term because the president would not ask them to resign.

Mission To Seek Reversal of U.S. Computer Ban

PY1310155890 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 13 Oct 90

[Text] Today the Brazilian Government will dispatch a two-man mission to the United States, which will try to reverse the situation caused by the U.S. Senate Resource Subcommittee's [as heard] approval of an amendment banning the sale of super computers to Brazil.

The envoys are Infrastructure Minister Ozires Silva and Science and Technology Secretary Jose Goldemberg. Details of the trip were threshed out at a meeting with Acting President of the Republic Itamar Franco, which was also attended by Acting Foreign Minister Marcos Azambuja and Strategic Issues Secretary Pedro Paulo Leoni Ramos.

In Minister Ozires Silva's opinion, the U.S. Senate's attitude is perplexing because Brazil was cited as one of the countries responsible for Iraq's military buildup, even after President Collor de Mello said at the United Nations that Brazil is not in a position to support an arms race.

[Begin Silva recording] On the international stage Brazil acts with sufficient clarity and transparency. We are not part of any group of nations engaged in an arms race. What Brazil truly needs is technology for development because we want to create a human and material infrastructure to make the country's self-sustained development possible. We are not investing in any arms race, nor are we in a position to do so. [end recording]

The U.S. Senate's amendment could thwart ongoing negotiations for the sale of a super computer to Embraer [Brazilian Aeronautics Company]. Petrobras [Brazilian Petroleum Corporation] already has one, and the National Space Research Institute, INPI, is interested in another super computer, the (?vector facinshi) priced at $7 million, to process atmospheric data.

Finance Minister Discusses Foreign Debt Strategy

PY1210124890 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 12 Oct 90

[Text] The Brazilian Government has announced its proposal for renegotiating its foreign debt with the creditor banks. The proposal is based on Brazil's capacity to pay.

According to Economy Minister Zelia Cardoso de Mello, the private sector, which continues to make its payments, was excluded from the negotiations. The public sector, however, has had its debt transformed entirely into a new paper that the government calls Zero Coupon Bonds [preceding three words in English]. These are long-term bonds, and their interest rate is calculated according to the market. They will be paid through auctions, which will depend on the amount of dollars Brazil has available.

Creditors who want to sell their bonds before the maturity date that will be negotiated will do so at a discount. The minister reported that the auctions will be held every three months as of the first year [as heard]. If no one wants to participate in the auction, Brazil will pay by draw, given that the bonds are numbered.

Minister Zelia Cardoso said that the draw will be called through an international institution, although she did not specify its name. Creditors who want to get rid of their debt in the short term may do so, but at a lower rate of interest. Brazil, the minister said, is not imposing a reduction of the debt, but this will happen through this auction system.

[Begin Cardoso recording] It is not an imposed reduction of the debt, but in fact, gentlemen, there will be a reduction of the debt through these auctions. [end recording]

The payment of interest on arrears was also included in the negotiations. The minister said that the negotiated debt amounts to $60 billion.

Regarding the Paris Club, she said that negotiations will be based on an agreement made by Poland, with some modifications that she did not reveal.

Government Reduces Import Taxes for 186 Products

PY1210154490 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 12 Oct 90

[Text] The Economy Ministry is preparing the final lists of products whose import taxes will be reduced. Most of them are chemical products. According to a resolution published in the official bulletin, there are 186 products whose import taxes have been reduced, including spare car parts. The government has also halved import taxes for textile industry machinery and equipment.

* Informatics List Scored for Maintaining Reserve

91SM0003D Sao Paulo O ESTADO DE SAO PAULO (Editorial) in Portuguese 21 Sep 90 p 3

[Text] The Secretariat of Science and Technology has released the list of informatics products that, in its judgment, should require government authorization for importation. The list came as no surprise to anyone. In fact, we ourselves had already predicted what would happen, and we were right: the list keeps all Brazilian informatics under *protection*. All types of computers, *without exception*, facsimile machines—in short, everything. The Secretariat of Science and Technology argues that it handled the issue this way so that the National Council for Informatics and Automation (Conin) would make the final decision on which products will benefit from the lifting of import restrictions. According to the secretariat, the representatives of the informatics industry overreacted: they submitted a list of 240 products! The secretariat's list is more modest: it contains 60 articles under 13 item headings representing from one third to half the domestic production of informatics products.

The official position is not consistent. If hundreds of products were taken off the list, it is because they should not have been there in the first place. Industry representatives should not even have suggested them to Professor Jose Goldemberg. We should realize, however, that neither should the entire "heart" of the informatics industry have been kept under the reserve, and we are not talking only about the criterion of sales. The list that has just been released protects everything. It even revives the famous issue of the "jalopies," the word the president used to describe Brazilian-made cars. The list prohibits the importation of on-board computers, digital controls for brake systems, anti-lock brake systems, power steering systems, and electronic fuel injection and ignition systems. This means that despite the president's exasperation, the automobile industry cannot modernize if this list is approved by Conin. Another serious aspect concerns the inclusion of process control equipment, and even optical fibers, in the scope of the reserve. The government's own experts had been highly critical of this; they would not accept the idea that fiber optics should be included in the informatics category. Well there they are, and they are protected.

Fortunately the list is merely advisory, but it will give the domestic informatics industry new courage to continue its fight for the broadest possible reserve. Obviously no one—ourselves least of all—wants to scrap the industry which is serving, well or poorly, the Brazilian industrial structure. Those who are in a position to compete, to modernize, to progress, and to cut costs will survive. Those who do not take steps to prepare themselves, or who refuse to enter joint ventures with foreign firms in order to absorb technology, will have to close their doors. And many of them would not even have been established were it not for the excessive and paternalistic protection of the government, which is maintained on that list. Without that protection it would have been easier to accelerate the process of openness.

The government technical experts, who include representatives of other ministries, not just the science and technology secretariat, will have to make the decision. But they will be starting from a very long list of protected products.

The representatives of the Ministry of the Economy have already made it known that they do not agree with such generosity and will discuss the list democratically, item by item, at the Conin meeting on 4 October. However, they will be met by ardent defenders of the market reserve. All indications are that once again, the final word will come from the president of Brazil, who is likely to instruct the government representatives to keep in mind the spirit of the provisional measure and the legislative bill that seek to open up the domestic informatics industry in the coming years. There may be some maneuvering, but there is no more room for retreat. All

this shows that we were right to be cautious: the SEI [Special Secretariat of Informatics] has been abolished, but it is not yet finished...

* Restrictions on Informatics Reserve List Urged

90SM0271E Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Sep 90 p 3

[Editorial: "Major 'Opening' in the Informatics Sector"]

[Text] The government has announced its new informatics policy, one that is more liberal and comprehensive. It can be summed up in a few points. The market will be opened to imports except for certain products that will continue to be protected until 1992. Foreign companies will be able to enter into partnership with Brazilian firms, forming joint ventures in projects that will combine investment with the assimilation of technology. Brazilian informatics industries will thereby be subjected henceforth to increased competition: they will either adapt and make improvements or are likely to go out of business. The government is sending to Congress a bill that provides for the definitive abolition of the market reserve. Decisions of a practical nature that are of extreme importance have also been taken. The Special Secretariat of Informatics (SEI) has been reduced to a department of the Secretariat of Science and Technology, and its most important functions transferred to the National Council for Informatics and Automation (CONIN).

There is no doubt that this constitutes the beginning of a revolution in Brazilian informatics policy. To understand this, one must appreciate the fact that the market reserve was based on a "tripod": 1) the requirement of prior government authorization—granted by the SEI—to import products in the informatics area; 2) the requirement of prior authorization, from the SEI, to be able to produce in Brazil any product in this area; and 3) the granting of fiscal incentives.

With all this power in its hands, the SEI has in practice banned all imports and favored Brazilian industries, which were not producing modern equipment and were satisfied to remain backward under the paternalistic protection of the government. It is important to remember that until now only the protection against imports was scheduled to end in 1992. All the other privileges, including the ban on the production of equipment and software without government authorization, were to remain "reserved" forever—and in actuality, the market reserve was not going to end in 1992 either. All this should now change.

It must be said, however, that the fight to open up the market is far from won. President Fernando Collor made a decision to confront the lobbies and semicartels when he accepted the conclusions of the Economics Ministry team. According to the team, it would be unfair to subject Brazilian industry to the impact of foreign competition so long as the law denied them access to modernization that is dependent on informatics.

We do not question the president's decision to end these privileges, and we applaud him. We cannot overlook the fact, however, that several phases remain to be accomplished. CONIN must designate the products that will be protected until 1992. It is a list that could comprise more than 60 items. Everyone is now attempting to get his products included on the list, which will in that case be excessively elastic. It is urgently necessary that the president give explicit orders to his representatives on CONIN—and especially to those in the Secretariat of Science and Technology, where the principal defenders of the reserve, influenced by the holdovers from the SEI, are to be found—to the effect that the list be as limited as possible. The criterion that protection can be extended only to those products that can two years from now still offer technological progress and prices that are competitive with the imported products must be maintained, and such products are few in number. All the remaining products will either have to be imported or produced in Brazil in partnership with foreign companies, something that was formerly prohibited. One must be attentive to the coming meeting of CONIN, at which there may be many surprises. The companies and interests that defend the reserve privilege are already mobilizing once again. A second battle will take place in Congress when the bill to end the reserve comes up for debate.

It is essential that the government—and especially the president—put the same energy into this effort that it displayed when it wanted approval of the provisional measures to implement its economic plan. Otherwise, all will be lost.

* Petrobras Head Views Coping With Oil Crunch

* Differs From Past Disruptions

90SM0257A Sao Paulo VEJA in Portuguese 29 Aug 90 pp 5-7

[Interview with Luis Octavio da Motta Veiga, chairman of the Brazilian Petroleum Corporation, by Alessandro Porro; place and date not given; first three paragraphs are VEJA introduction]

[Text] The chairman of Petrobras [Brazilian Petroleum Corporation] says that to avoid being disrupted by the crisis, Brazil must keep pace with international petroleum prices.

Since the first week of August, Luis Octavio da Motta Veiga, a 39-year-old native of Rio de Janeiro, has been an extremely worried Brazilian. Because of the crisis in the Persian Gulf, the new chairman of Petrobras—he is the youngest executive to occupy that post in the history of the company—gets to his office at 7 o'clock in the morning, spends the day on international telephone calls and in front of computers that provide him with petroleum prices on the world market, and rarely goes home before midnight. It is a rat race, but Veiga feels that the country has already been through the worst of it: he has managed to line up other suppliers for the 200,000 barrels of petroleum per day that Brazil had been

importing from Iraq and Kuwait. "The problem of supply was the most important thing," says Veiga. In the opinion of the Petrobras chairman, it is possible that the Gulf crisis will not lead to fuel rationing for the Brazilian consumer, but his opinion on the subject of prices is inflexible. They must rise to keep pace with the prices charged on the international market without a nickel's difference. "For the consumer, that may hurt, but it is the most realistic way," he says.

The chairman of Petrobras takes a special view of the company he heads. Unlike most of his predecessors, he does not think that the monopoly has been a good deal for Petrobras. "The monopoly has been used in an obtuse manner, with the result that Petrobras has served the government more than it has the country," Veiga says. Nor does he believe that Brazil must be self-sufficient in petroleum production. In his opinion, the country ought to produce 80 percent of the petroleum it consumes and buy the rest. "Brazil has a diversified industry requiring various kinds of petroleum. We do not produce all of them." A well-paid executive in the financial market before becoming chairman of Petrobras, Motta Veiga now forlornly contemplates a pay stub showing 400,000 cruzeiros at the end of every month. He spoke to VEJA about the crisis in the Gulf and the solutions which the country must seek to keep this crisis from being as rough as the oil shocks in the past. [VEJA] Was Petrobras prepared to cope with this new oil shock? [Motta Veiga] Some analysts were already saying a few months ago that Iraq was going to make some kind of forceful gesture to get an increase in the price of petroleum on the world market. In view of that possibility, Petrobras took steps that should have been taken a long time ago, considering the signs of disturbance arriving from the Middle East. It was not normal for a country like Brazil, with its requirements and its industrial structure, to depend on such a large quantity of Iraqi petroleum—something like 200,000 barrels per day. When I became chairman of Petrobras last March, I began working on that problem, and the company has been able to diversify its list of suppliers. Even so, the situation is still touchy because things happened more quickly than indicated by the forecasts. The occupation of Kuwait threw the world market into a chaos that is difficult to manage.

[VEJA] To what extent has that chaos reached Brazil?

[Motta Veiga] We were able to guarantee supplies. That was the most important problem. From the standpoint of cost, the bill is going to be a big one. A barrel of crude oil used to cost $19, but last Wednesday it was being quoted at $31. The worst of it is that this is happening in the midst of a crisis whose end is not in sight. Petrobras is working on forecasts involving various scenarios. In the worst-case scenario, it is not difficult to imagine the price of a barrel of petroleum rising to over $40, as happened during the second oil crisis in the 1970's.

[VEJA] What is the difference between the crisis that is occuring now and the two previous crises?

[Motta Veiga] The big difference is the element of surprise and the combination of factors that forced the world to confront a reality which, in those days, was greatly underestimated: the strength of a cartel of producers and exporters who had joined under the banner of OPEC and were capable of imposing their will and their law on the importing countries. In the oil shocks of 1974 and 1979, the members of OPEC proved to be a united bloc prepared not to back down from their decisions. This time, the surprise was not as great, as I have already said. In addition, the shock was not produced by a cartel.

[VEJA] Is Brazil in a position to prevent a petroleum price rise of that extent from harming its economy?

[Motta Veiga] There is only one possibility: to transfer the cost of petroleum on the foreign market to the price display on the Brazilian gasoline pump. It may hurt, and it may cause unfavorable swings in the fight against inflation, but I know of no other solutions. We need to understand that petroleum is a product sold on the international market and that it has its own rules and sets its own prices.

[VEJA] Two weeks ago, the government raised fuel prices by 8.9 percent. Was that increase sufficient? Is it enough to cover the price increase that has already occurred on the international market?

[Motta Veiga] No, it is not enough. But it is a good start. It shows that this time the government has realized that the mistakes of the past cannot be repeated—that it is no longer willing to treat international crises as things that do not interest us or do not affect us.

[VEJA] You said that the increase in fuel prices was not enough to cover the increase in international prices. How big would that increase have to be?

[Motta Veiga] The other countries, including those that export petroleum, such as Great Britain and Venezuela, have raised their prices from 20 to 30 percent. The increase authorized by Brasilia did not amount to 10 percent. I feel that that increase was just the first step toward what may happen in the near future. In any case, it is not Petrobras that sets prices.

[VEJA] But won't another increase in addition to the 8.9 percent disrupt inflation controls?

[Motta Veiga] Maybe so, but the Brazilian consumer must be made aware of what is happening in the rest of the world and understand reality. Squeezing down fuel prices and pretending that everything is fine is something that cannot happen any longer. In the case of Petrobras, everyone needs to understand that it is a company—a large company—and not an instrument of ideological policy. Petrobras needs to be relieved of the task of functioning as a brake on inflation. If that does not happen, our negative cash flow is going to keep rising endlessly.

[VEJA] What mistake did the Brazilian Government make during the oil shock of the 1970's?

[Motta Veiga] It is enough to look at the first oil crisis, in 1974. At that time, Brazil was living in a world of fiction—in the atmosphere of the economic miracle—and did not follow the strategy adopted by most countries, which raised their domestic gasoline prices and educated their consumers to conserve fuel. None of that happened here. Brazilian TV and newspaper advertisements offering petroleum products as though times were normal aroused incredulous comment in the international press, especially the U.S. press. In a world that was worried and even frightened by the proportions of the oil shock, Brazil seemed to be a paradise—and island of tranquillity. The bill came later, and it was an extremely big one.

[VEJA] Because it works with different prices in the foreign market than those in the domestic market, Petrobras has been experiencing financial losses. How big is that gap today?

[Motta Veiga] It amounts to $905 million, and it is going to get even bigger if domestic fuel prices are not brought into line with those on the international market. We cannot continue to benefit the consumer when he buys gasoline at the pump and then punish him later as a taxpayer—because he is the one who will have to grapple with the public deficit later.

[VEJA] Petrobras is not the only petroleum company that belongs to a government. There are other examples in the world, such as British Petroleum in Great Britain and Elf, which belongs to the French Government. Why do those companies earn a profit while Petrobras has a deficit of almost $1 billion?

[Motta Veiga] But look at how things are improving. When I became chairman of Petrobras in March, the deficit was $1.3 billion. On my first day as chairman, I did not have enough money to meet the month's payroll and had to go ask the banks for a loan. What distinguishes us from other state-owned petroleum companies is that there is a monopoly in Brazil. That monopoly makes Petrobras a company unlike the others.

[VEJA] Are you opposed to a petroleum monopoly?

[Motta Veiga] It is not a matter of being for or against it. The monopoly was established by the Constituent Assembly. It is a constitutional provision that neither the government nor I, as the administrator, have a right to challenge. And that is a good thing in a country which has finally realized that Constitutions must be respected and obeyed. It is probable that the monopoly issue will be debated again in 1993, when Congress may revise the text of the Constitution.

[VEJA] But why is a monopoly situation able to complicate life for Petrobras?

[Motta Veiga] In principle, it should not complicate anyone's life. But so far, the concept of the monopoly has been understood in an obtuse manner among us: monopoly meant that a company like Petrobras served the government more than it served the country. In the name of that monopoly, contracts have been signed and canceled, and not always for commercial reasons but sometimes on diplomatic grounds or even for political or military reasons. Because of that, Petrobras has often been used, and badly. And when a company of this size, which has to cope with an annual billing of about $18 billion, is managed in that spirit and according to that philosophy, it certainly is not going to show the same results as its sister companies in other countries.

[VEJA] Is self-sufficiency the only way that a country like Brazil can evade oil crises?

[Motta Veiga] Self-sufficiency is not always beneficial. We can cope with the crisis being caused by Iraq much more calmly than we could those in 1973, when Brazil was importing about 80 percent of the petroleum it consumed. Today we are dependent on others for about 52 percent of our requirements. In other words, for every one million barrels we need every day, 520,000 are imported. By 1995, Petrobras should be producing 80 percent of what the country needs, and according to our philosophy, that should be the limit of our independence. More than that is not necessary.

[VEJA] If self-sufficiency is not necessary, what objective should Petrobras be pursuing?

[Motta Veiga] A country like ours, with such diversified industry, cannot depend solely on the few types of oil produced by Brazil. It is important that we be able, with the 20 percent we import, to produce the various oil mixtures used in industry.

[VEJA] But if Brazil were self-sufficient, would it not now be in a position to face the crisis more calmly and with more flexibility?

[Motta Veiga] The 20 percent which I hope to be buying abroad in 1995 is not a problem. That quantity is easy to manage. But now if Iran allies itself with Iraq, the situation will become undeniably more difficult. But this does not mean that Petrobras should plan its future only on the basis of monumental crises. The important thing is for us to remain attentive and to always know where and how to obtain petroleum on the day when one of the taps is turned off. Besides, the producers and exporters of crude oil live off their petroleum. Iraq, for example, has nothing except petroleum, so it is forced to go abroad to buy everything it needs to keep the country functioning. Its petroleum taps cannot stay turned off forever.

[VEJA] Where did Petrobras find the 200,000 barrels per day that it had been buying from Iraq, since those Iraqi supplies dried up from one hour to the next during the first week of August?

[Motta Veiga] I cannot tell you that. Our alternate sources of supply must be surrounded by the most absolute secrecy to protect them from possible threats by traditional suppliers.

[VEJA] Can it be said that some of those stopgap suppliers are members of OPEC, the organization of petroleum-producing countries? And if so, doesn't that clearly reveal the weakening of that cartel—which was much more powerful during the first crisis in the 1970's?

[Motta Veiga] Again, I cannot and do not wish to answer the first part of that question. Concerning a weakening of the producers' cartel, that is something which began some time ago, and it adds a more somber note to this crisis. The fragmentation of OPEC began to show up right after the war between Iraq and Iran ended, when some of the cartel's member countries began—with more alacrity than before—to ignore the decisions reached during its meetings. Many of them began to produce petroleum in excess of the established quotas and to sell it at lower prices. Kuwait, for example, was publicly accused by Iraq—during the latest OPEC meeting—of raising its production quota in order to sell its oil illegally. And that was one of the reasons adduced by Saddam Husayn for invading Kuwait. It cannot be said that OPEC is finished, but its strength is being undermined by the disputes among its members: Saudi Arabia, Iraq, Iran, Kuwait, Venezuela, Libya, Indonesia, the United Arab Emirates, Algeria, Nigeria, Ecuador, and Gabon. Those disputes reflect the political crisis in the region and the end of the Cold War, which is forcing the producing countries to adopt new policies. The crisis caused by the actions of one producer—Iraq—is certainly worrying and threatening, but it lacks the dimensions of the 1973 crisis.

[VEJA] Why did Petrobras not stick to the timetable that called for starting production in the giant Marlim field in the Campos Basin—considered one of the biggest fields in the world—in May 1990?

[Motta Veiga] The investment cutbacks suffered by Petrobras last year prevented Marlim from going into production on the date scheduled. It may be possible to make up for the delay now, but only in part. At an investment of $1.8 billion—which is almost the additional amount that Brazil will have to spend as a result of the rise in the price of petroleum—Marlim may be producing 350,000 barrels of petroleum per day and five million cubic meters of gas per day by 1995.

[VEJA] What is Petrobras proposing as a means of conserving gasoline?

[Motta Veiga] There is only one solution: to raise prices. Only that will force the consumer to conserve. Closing gasoline stations on Sundays will not solve anything. If it were possible, I would charge people twice as much to fill up their tanks on Sunday.

[VEJA] Last year Petrobras was not sparing in its criticism of Proalcool [National Alcohol Program]. Does this crisis not prove that Proalcool was a good thing?

[Motta Veiga] That is an error which needs to be cleared up. We did not criticize the alcohol program. The only thing is that Petrobras has been warning the government since 1985 that there might be a short circuit in supplies in 1990, and now it has happened. We alerted the government to specific facts: the growth in consumption was not in proportion to the expansion in sugarcane acreage, and because of that, alcohol would surely fail. Moreover, government investment in agriculture was minimal in 1989.

[VEJA] But in a crisis like the current one, would alcohol not help overcome our immediate difficulties if it existed in sufficient quantities?

[Motta Veiga] Before anything else, we must see what those difficulties are. If Iraq invades Saudi Arabia and petroleum goes up to $45 per barrel, alcohol will help. But only in a situation like that. Not many people know it, but the real cost of a barrel of alcohol is $42—$14 more than a barrel of petroleum, which can be bought on the Rotterdam spot market for $28.

[VEJA] And who pays the difference?

[Motta Veiga] We the taxpayers, obviously. But Proalcool is a strategic affair of state. Petrobras cannot and must not interfere.

* New Suppliers Sought

90SM0257B Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 28 Aug 90 p 5

[Article by Rosane de Souza]

[Text] Rio de Janeiro—Before the conflict in the Persian Gulf, Brazil's biggest petroleum supplier was Iraq, from which Petrobras bought 160,000 barrels of petroleum per day. As a result of the blockade imposed by the United Nations on Iraq and also on Kuwait—a country that had been supplying us with 30,000 barrels of petroleum per day—Petrobras went looking for new suppliers and increased its imports from Iran, which has become the leader in sales of the product to our country (150,000 barrels per day). On Thursday, Petrobras' commercial superintendent, Arthur Fernandes Carvalho, signed a contract with Venezuela that increased our imports from that country, which is Latin America's biggest producer and a member of OPEC, by 3,000 barrels a day (to a total of 30,000 barrels per day). Venezuela extracts 2 million barrels per day.

Since it has managed to replace only 80,000 of the 190,000 barrels per day of petroleum that it had been buying from Iraq and Kuwait, Petrobras has been turning more and more frequently to the spot market—from where it had been importing 60,000 barrels before the conflict in the Middle East—and even buying petroleum for $32 (including freight and insurance) from various African countries, mainly Algeria and Nigeria. Before the war, Petrobras would round out its domestic supplies with imports from various world producers such as Qatar, Angola, Algeria, Venezuela, China, and Ecuador. Petrobras even considered the possibility of signing a contract with Ecuador to increase its quota from that Latin American country. However, experts in

the firm advised management not to go through with the deal, arguing that Ecuador's petroleum is expensive to Brazil because of high transportation costs. Even though Braspetro [Petrobras International, Inc.]—its international subsidiary—is present in oil fields in Angola, the firm imports only 10,000 barrels per day from that country, according to its engineers. Before the conflict in the Gulf, Petrobras had little commercial difficulty importing 160,000 barrels per day—which it bought from small world producers and on the spot market—but it is currently redoubling its efforts to bring in 270,000 barrels of petroleum per day.

* Swaps With Iran Discussed

90SM0257C Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 30 Aug 90 p 5

[Article by Roberto Godoy; first paragraph is O ESTADO DE SAO PAULO introduction]

[Text] Among the items of interest to the Iranians are the AMX bombers manufactured by Embraer [Brazilian Aeronautics Company].

The Iranian Government is interested in negotiating a swap in which it would provide Brazil with 200,000 barrels of petroleum per day in exchange for Brazilian products: sugarmills, the technology of alcohol chemistry, heavy industrial equipment, civil aircraft, and also, in the medium term, items from the catalogue of military equipment—AMX fighter-bombers, for example. That willingness was clearly set forth in the last few days of July, when an official delegation from Tehran, headed by Hashemi Rafsanjani, the son of President Ali Rafsanjani, landed in Brasilia. The delegation's visit to our country was surrounded by secrecy and marked by rigid security arrangements.

Brazil's rapprochement with Iran was arranged personally by Ambassador Antonio de Sampaio, head of the Middle East Department in the Ministry of Foreign Affairs. A former ambassador to Syria, Sampaio is an expert who advocates a broadening of Brazil's interests in that region, where, he says, "there are nations interested in reaching agreement with alternative partners in development." Rafsanjani met with Minister of Foreign Affairs Francisco Rezek and the head of the Department of Trade Promotion, Minister Rangel de Castro. He was also received at Planalto Palace, possibly by the secretary general of the Presidency, Marcos Coimbra.

The Iranians want to buy sugar and alcohol immediately, and they revealed an interest in the technology of alcohol chemistry, which, with few exceptions, makes it possible to replace some of the products obtained through petroleum know-how. If that deal goes through, it could mean the opening of an export channel for complete, partially ready plants to be set up in Iran's northern subtropical region, which is bounded by the Caspian Sea. At a meeting with Sao Paulo businessmen, the delegation announced that it was also looking for international suppliers of heavy equipment with which to modernize local industry destroyed during the eight-year war with Iraq. Businessmen participating in the preliminary talks believe that market would be worth from $250 million to $400 million annually.

Hashemi Rafsanjani was also given information concerning financing for Embraer's civil aircraft. The Iranian Air Force uses 12 Emb-312 Tucano military trainers that Embraer sold to it secretly in 1987. Now local airlines sounded out by Embraer's marketing directorate are studying the possibility of operating the 30-seat Emb-120 Brasilia and the state-owned firm's first jet, the 50-passenger Emb-145, which will fly for the first time in 1993.

Chile

Aylwin Returns, Denies Bolivian Border Conflict

PY1310181890 Santiago Domestic Service in Spanish 1600 GMT 13 Oct 90

[Excerpts] President Patricio Aylwin returned to Santiago at 0800 this morning after a four-day visit to Venezuela. During the flight back to Chile, Aylwin said he was very pleased with the tour because it meant Chile's return to the Latin American community. Aylwin said there were no pending problems with Bolivia because the borders were already established. [passage omitted]

Patricio Aylwin expressed satisfaction and contentment on his return to Santiago following his four-day visit to Caracas, Venezuela.

Aylwin said in the plane while returning to Santiago that Chile does not admit that there is a pending border problem between our country and Bolivia. Aylwin stressed that Chile has maintained, and continues to maintain, that the border problem does not exist because it was resolved by a valid international treaty that is still in effect. As a result, Chile does not admit that there is a pending border problem between Chile and Bolivia.

Asked if our country is afraid that Bolivia's entry into the Rio Group would give Bolivia a new opportunity to bring forth the border subject, Aylwin said: No, because the group does not have the authority to debate this kind of matter.

Regarding the trip by Army Commander General Augusto Pinochet to Argentina, Aylwin said: I have no opinion on the matter. I am not informed and I do not think it is very important.

Regarding his visit to Venezuela, Aylwin said that he had a very active agenda and that Chile signed important bilateral agreements on various matters of mutual benefit.

Regarding the Rio Group meetings, Aylwin stressed that they were very frank and without formality, and that the presidents made calm, serene, and objective analyses of diverse situations. Aylwin said Chile's incorporation

into the group is the highest point in the process of Chile's return to the Latin American community.

Patricio Aylwin reiterated his criticism of the protectionist measures imposed by the United States and some European countries on Chilean products. Aylwin added that the GATT round will be useful because, there, we will see if the proposals for economic liberalization are sincere.

Country Officially Joins Rio Group

PY1210160090 Santiago Domestic Service in Spanish 1000 GMT 12 Oct 90

[Excerpts] Chile officially joined the Rio Group during its 4th presidential summit, which just started in Caracas, Venezuela. Aylwin signed the document whereby Chile officially joined the group. Chilean President Patricio Aylwin and his Venezuelan counterpart, Carlos Andres Perez, also signed a memorandum of understanding that establishes 31 May 1994 as the deadline for freedom of trade between the two countries. [passage omitted]

Perez said that all countries attending the summit applauded Chile's decision to join the Rio Group.

It has been reported that the memorandum provides for accords on permanent political consultation and the establishment of a vast economic, technical, and scientific cooperation between Chile and Venezuela. It also provides for elimination of double taxatio for international air and maritime transportation, telecommunications development, integration, and cultural exchange.

Aylwin and Perez also agreed to create a Chilean-Venezuelan commission which will analyze matters of bilateral interest that will be coordinated by their respective foreign ministries.

Minister Talks About Impact of Oil Prices

PY1210151090 Santiago Domestic Service in Spanish 2200 GMT 11 Oct 90

[Text] Mines Minister Juan Hamilton has announced that a bill creating an oil price stabilization fund will be introduced in Congress next week. He explained that the purpose of this fund is to compensate the ENAP [National Petroleum Enterprise] for losses it suffered in absorbing the difference between oil prices on the external and internal markets, as well as to provide a cushion for rising oil prices on the international market and to establish a variable tax so the fuel prices can remain constant.

On the other hand, Minister Hamilton emphasized that the price of $34 per barrel of oil that the country uses as a reference for the internal price of crude oil is still the lowest among the countries that do not produce oil and even lower than some oil-producing countries. He said the country should understand that fuel price increases are not dictated by internal policy.

[Begin Hamilton recording] We started with a price of $17, raised it to $25, and we are now at $34; this continues to be the lowest price among all of the countries that do not produce oil, and even lower than some oil-producing countries. Unfortunately, this affects our economy because it is too dependent. People should understand that this is not a problem created by the government, nor is it caused by public policy. Very narrow-mindedly and very unpatriotically, some have seized the occasion to blame it on government policy. I believe that these rumors are damaging our economy, more so because these rumors were started by people who held high government posts. [end recording]

The mines minister added that to diminish Chile's dependency on oil and prevent this type of crisis, the exploitation of alternative energy sources, such as coal and hydroelectricity, should be encouraged. In this regard, he recalled that in the next few days, a Chilean-Argentine group will begin construction of a gas pipeline.

MIR-M Faction To Launch Guerrilla Activities

PY1410193090 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0035 GMT 14 Oct 90

[Text] Santiago, 13 Oct (AFP-NA)—Jorge Palma Donoso, the imprisoned spokesman for the Marxist Movement of the Revolutionary Left-Military faction [Movimiento de Izquierda Revolucionaria- Militar] (MIR-M), today warned that this group is organizing a guerrilla band in Chile because Patrico Aylwin's administration "has betrayed the people's expectations."

On trial for involvement in the 1983 killing of General Carol Urzua, intendant (governor) of Santiago, Palma did not mention when the guerrilla activities would begin but emphasized that armed struggle is his group's only option.

In the course of a surreptitious news conference in one of Santiago's prisons, Palma, 40, hailed the subversive actions of the Manuel Rodriguez Patriotic Front-Autonomous factions and the Lautaro Popular and Rebel Forces, the other Chilean guerrilla groups, but he ruled out the possibility of joint actions between them and the MIR- M.

The MIR-M, one of the three factions into which the original Movement of the Revolutionary Left [MIR] (born in the sixties) has split, is led by Sergio Aguilo.

The self-styled MIR-Political faction rejects guerrilla actions and the third faction, MIR-Historical, also known as MIR-Pascal (after its foremost leader, Andres Pascal Allende), advocates a strategy based on "popular power."

Arms Factory Reportedly Working on FAE Bombs

PY1210125990 Buenos Aires DYN in Spanish 1816 GMT 12 Oct 90

[Text] Santiago, 12 Oct (REUTER)—The Chilean arms manufacturer who sold cluster bombs to Iraq during its

war with Iran today reported that it is developing an explosive device that military experts believe to be up to five times as destructive as conventional bombs.

Cardoen Industries told REUTER that it is experimenting with a "fuel-air explosion" [preceding two words in English] (FAE) bomb, a device that releases, upon impact, a cloud of fuel that explodes in a ball of fire once it reaches a critical density.

The Chilean arms manufacturer, however, denied having manufactured this type of bomb for Iraq. The statement delivered to REUTER indicates that tests carried out in Chile's northern desert are not convincing enough to start manufacturing the bomb yet.

"This project is now at the stage of preliminary studies. Static tests with various combinations of explosives and detonating substances are being conducted to obtain the FAE effect," Cardoen reported.

"We are not yet ready to produce a prototype of a FAE bomb, less still have we launched a marketing strategy for this product," the statement said. The company added that it is not planning to produce the bomb jointly with any other country.

FLIGHT INTERNATIONAL, a specialized British magazine reported on Wednesday that Iraq was developing the FAE bomb for use in a missile warhead. Quoting Western intelligence sources, the magazine reported that Iraq obtained the necessary technology while participating in the aborted Condor missile project together with Argentina and Egypt. FLIGHT INTERNATIONAL also reported that a missile warhead armed with a FAE bomb would be much more dangerous for Saudi Arabian oil fields than chemical weapons.

Daily Examines Bilateral Agreement With U.S.

PY1210153490 Santiago EL MERCURIO in Spanish 30 Sep 90 p A3

[Editorial: "Agreement With the United States"]

[Text] Chile and the United States have decided to seek an agreement to encourage bilateral investments and trade, and to conduct joint actions to promote free trade.

The two countries have decided to create a council made up of official representatives from both governments, which will undertake negotiation of an agreement to reduce or eliminate restrictions and tariffs that hinder trade relations, as well as actions to promote the opening of markets to free trade and consultations on these matters.

The concrete measures and results of that agreement will be spelled out in a plan of action, which will be prepared by the respective delegations in the next 30 days.

An important step in Chilean-U.S. relations has thus been taken, and an advance has been made for the "Initiative for the Americas," which was proposed by President George Bush in June to intensify cooperation with Latin America through trade and private investment.

More than creating a mechanism for easier economic transactions, the decision made in Washington amounts to an official commitment to stimulate foreign investment and repel protectionism. It is also a firm indication that the generalized system of preferences and insurance for U.S. investment will be renewed.

Trade with the United States has been steadily climbing since 1973. Since then, after decades of stagnation, Chilean exports to the United States have increased practically 15 times, to about $1.5 billion last year, and Chilean imports from the United States have increased five times, to $1.4 billion.

Something similar has happened with investments. After nationalization and the eradication of foreign capital in the late 1960's and early 1970's, the country proceeded, in the mid-1970's, to pay for the expropriations and to promulgate a nondiscriminatory statute for foreign investments.

Along with such basic arrangements, a policy of total integration with international markets has been invariably maintained, thereby increasingly attracting foreign capital for domestic development.

In the present situation, the trade and investment agreement will be based on solid foundations and will be a sign of realism on the part of both governments. Chile needs foreign savings and markets to maintain a sustained growth. In this regard, economic relations with the United States, as our first commercial partner, are very important. In turn, the United States needs to strengthen the economy of Latin America as a market for its products and as a front to deal with the European bloc and the Asian countries.

The positive decision made by the Aylwin and the Bush governments should now be reflected in concrete agreements that will make it possible to expand bilateral trade and improve the well-being of Chileans and North Americans. To this end, both governments, in keeping with their allegiance to free trade, should continue to resist the inevitable pressures in favor of protectionism and state interventionism.

Colombia

Unidentified Gunman Kills Cali Court Prosecutor

PA1310042490 Madrid EFE in Spanish 2110 GMT 12 Oct 90

[Text] Calo, 12 Oct (EFE)—Henio Ocampo Villamarin, fifth court prosecutor in Cali, was shot to death today by an unidentified gunman, the authorities have reported. The police in Cali, 230 km southwest of Bogota, said that 36-year-old Ocampo Villamarin was assassinated when

an unidentified man intercepted him after he stepped out of his car at the Atanasio Girardot neighborhood in that city.

The prosecutor was trying to open the small door of his plastics factory when the gunman shot him several times, the police added. Once the crime was perpetrated, the killer fled on a motorcycle driven by his accomplice. The authorities have launched a large-scale operation to capture the prosecutor's assassin.

The Judicial Branch National Association (ASONAL), which includes all the Judicial Branch workers in the country, condemned the crime and demanded—through its branch in Valle del Cauca Department, of which Cali is the capital—that the government give more guarantees and protection to its members.

ELN Denies Having Massacred Nine Peasants

PA1410193590 Madrid EFE in Spanish 0247 GMT 13 Oct 90

[Text] Bogota, 13 Oct, (EFE)—The Army of National Liberation (ELN) today denied having massacred nine peasants in the Casanare area. It blamed the massacre on a paramilitary group, apparently led by an Army captain.

In a communique deposited in the EFE mailbox in Bogota, the ELN claims that the Armed Forces are attributing these type of actions to the guerrilla groups to prevent the possibility of a dialogue with the government and to have an excuse to intensify their war against the guerrillas. The ELN communique refers to the massacre of nine people, three of them children, on 5 October in the rural municipality of Taurarema in Casanare in eastern Colombia.

The Defense Ministry had reported that an armed column of the Marxist ELN guerillas had committed the massacre. This prompted the government to say that the guerrillas had "replied with acts of barbarism" to President Cesar Gaviria's peace proposal.

The ELN says that investigations have revealed that the massacre was conducted by 20 men led by Captain Ruben Dario Clavijo and financed by two well-known local cattlemen.

According to the communique, The Simon Bolivar National Gauerilla Coordinating Board (CGSB), comprised of the FARC [Revolutionary Armed Forces of Colombia], and the ELN, is willing "to prove its political will, and to participate in the Constituent Assembly." It warned, however, that it would only be possible, "if Gaviria orders his troops back to their garrisons and orders a cease-fire."

The present government has invited the guerrillas to accept disarmament and to participate in amending the constitution and in the elections for Constituent Assembly delegates.

The Popular Liberation Army (EPL), is currently meeting with government representatives. The FARC and the ELN, however, have said they will not meet with the government unless there are "positive signs of changes in the country."

Seven People Killed by Gunmen in Medellin

PA1410133490 Bogota Radio Cadena Nacional in Spanish 1221 GMT 14 Oct 90

[Text] Medellin—Terror returned to this city last night when a group of armed men killed seven people during an attack carried out at approximately 2100 northwest of Medellin. According to official reports, the attackers, who were traveling in jeeps, carried automatic weapons and wore military uniforms. They repeatedly fired at residents of the Florencia neighborhood on 113th Street, between 75th and 76th Avenues.

As a result of the shooting, which is currently under investigation, seven people were killed and four were seriously wounded and taken to hospitals in Medellin.

According to the reports, the gunmen stepped out of the jeeps and, without saying a word, machine-gunned a group of people who were standing in front of a granary. After the attack, the gunmen fled from the metropolitan police.

Some of the victims were identified as Juan Carlos Davila, 21; Jose Tapia, a former policeman; Juan Fernando Casas Pelaez, 25; John Mario Londono Sierra, a disabled man; Carlos Mario Rivera, 30 and his wife Marlene Rivera, 17, who had just arrived in the Florencia neighborhood from Caldas Department. Elkin Joani Sea Veliz, 30, the seventh victim, died in the Social Security Hospital's emergency ward.

The wounded, who were taken to the Social Security Hospital, are Jose Heraldo Gonzalez, Margarita Duran Pabon, John Mario Colorado Montoya, Hernando Montoya Montoya, and Luis Uribe Meza. Guillermo Arango, 30; Jose Orlando Londono, 47; and Jose Luis Mazo, 17 are recovering at the municipal hospital.

The initial investigations have not disclosed the origin of the armed group that carried out this new massacre that broke the climate of peace that has prevailed in Medellin after several months of violence.

Meanwhile, it was officially announced in Bogota, Zapatoca Mayor Efrain Duran Bohorquez will be buried today in Bucaramanga. Duran Bohorquez was killed on the night of 12 October by a group of hired gunmen who fired at him when he was leaving his residence. Duran Bohorquez had been Zapatoca's mayor on two occasions. Thus far, state security has been unable to determine the motive of the crime. Policemen and soldiers have cordoned off a sector of Zapatoca to prevent the murderers from leaving the city.

Duran Borquez, a conservative, was a member of the movement led by Senator Jorge Serrano Gonzalez in

Santander Department. According to his relatives, his funeral will take place at 1100 today.

World Bank Said To Grant Over $500 Million

PA1210182690 Paris AFP in Spanish 0631 GMT 11 Oct 90

[Text] Bogota, 10 Oct (AFP)—Shahid Husain, World Bank regional vice president for Latin America and the Caribbean, stated on 10 October in Bogota that the institution will support Colombia's economic opening with credits surpassing $500 million.

The bank official, who is in Colombia for a three day visit, is analyzing with the government the projects for the nation's economic inernationalization that have been implemented by President Cesar Gaviria.

Husain stressed that the World Bank "is hopeful about the future of Colombia's economy." He urged the government to put a halt to inflation, which at the end of the year will soar to 30 percent, according to Treasury Minister Rudolf Hommes.

Nevertheless, Husain admitted that although the figure causes some concern, Colombia does not face the same kind of crisis which burdens other Latin American nations, such as Brazil and Peru. Husain promised greater financial support from the multilateral credit organization to enable Colombia to go ahead with its economic opening. He said that this support will be provided through five specific projects already earmarked by the government.

These projects are: efficiency in the state organization, industrial restructuring, state support for the Industrial Development Institute (IFI), bolstering exports of goods and services, and financial reform. Husain expects these programs to be concluded in two years.

While Husain emphasized the Colombian Government's intention to make its economy more internationally competitive, he also said that the World Bank is willing to finance a social program aimed at fighting poverty. In this regard, he praised the government's determination to open the nation's doors to foreign investment.

Nevertheless, he advised the government not to restructure the foreign debt, which totals $17.543 million, as the nation would have a high social cost to pay in the future.

Regarding the World Bank's relations with Latin America, he said that they have improved over the last three years because of the "favorable changes" that the region's economies have experienced. Husain praised the Initiative for the Americas launched by U.S. President George Bush. He said that it will broaden trade opportunities for the Latin American nations.

Paraguay

National Sectors Seek To Achieve 'Social Pact'

PY1310200890 Asuncion NOTICIAS in Spanish 13 Oct 90 pp, 23

[Excerpt] For the first time representatives from several Paraguayan social sectors sat at a negotiating table yesterday to discuss different national issues to seek consensus solutions to national problems.

Representatives from the Paraguayan Bishops Conference, the Febrerista Revolutionary Party [PRF], the Colorado Party, the Authentic Radical Liberal Party, the Christian Democratic Party, the Paraguayan Industrial Union, the Feprinco [Production, Industry and Commerce Federation] (both of which were represented by Alirio Ugarte Diaz), the Paraguayan Confederation of Workers, and the National Workers Federation, for the first time held a preliminary meeting to seek a consensus that will lead to a social pact.

Those who attended the meeting, which was sponsored by the PRF, decided to accept the PRF proposal to establish a permanent negotiating forum to seek solutions to problems through dialogue and the discussion of proposals.

This forum, which will be coordinated temporarily by the PRF, will hold another meeting in 15 days. By this time, representatives from the diverse sectors that attended the meeting will submit a list of problems that must be urgently discussed.

It was also established that this forum will be made up of a plenum that will meet whenever necessary and four commissions of advisors and experts. These commissions will work at the political, economic, social, and international level.

The forum intends to draft a package of possibilities and solutions that will be submitted on 3 February 1991 to the national government. Euclides Acevedo, who acted as the meeting spokesman, said that a social pact will be achieved only when the government accepts the proposals included in this package. [passage omitted]

Identities of Owner, Pilot of Plane Disclosed

PY1410184890 Asuncion HOY in Spanish 12 Oct 90 p 23

[Text] The identity of the owner of the plane that was found in Fortin Gabino Mendoza [as published] with over 300 kg of cocaine crystals aboard and the identity of the pilot have been established; however, the identity of other drug traffickers who may be involved in the case remain unknown. Reliable sources have told HOY that the drugs came from Bolivia, although the wrapping was similar to that used by the Medellin Cartel.

The pilot of the plane that was carrying 343 kg of cocaine and that was seized by military forces in the Paraguayan

Chaco region was Carlos Amado Recalde, a Paraguayan citizen and a resident of Asuncion. He is currently at large.

The plane, which bears the registration number CP2190, belongs to Luis Fernando Simons Issa, a Bolivian citizen who is still at large. Upon finding out that the drug shipment had been seized by Paraguayan officials, Issa disappeared from his usual haunts in Santa Cruz de la Sierra according to information obtained by this newspaper. Our source also revealed that the antidrug police of Santa Cruz (Bolivia) have concrete evidence that the seized Bolivian plane used to be flown by Jimmy Tacana who on 13 September was known to have flown another plane in Bolivia.

The information available to the Bolivian Police is being examined in the quest for further details on the drug deals in which the owner of the plane could be involved with other traffickers. Our source added that on 13 September Recalde, the Paraguayan pilot, was flying CP2190 with another person over the Chaco region. When they reached Fortin Gabino Mendoza the plane's engine malfunctioned, forcing them to make an emergency landing on military landing strip which had been abandoned and closed down. The occupants of the plane managed to flee leaving behind the plane and its cargo.

A Dinar [National Narcotics Directorate] spokesman reported that the plane registration number had been painted over or otherwise tampered with by the drug traffickers. He admitted, however, that the plane belongs to Simons Issa.

Bolivian and Paraguayan police forces have yet to disclose the identity of the owner of the cocaine shipment or details of the occupants of the plane. Reports from Bolivia indicated that the Bolivian antinarcotics police are following strong clues that could lead to the arrest of the drug traffickers.

A drug enforcement officer told HOY that the drug seized by the Paraguayan officials is Bolivian, not Colombian. According to a DEA expert the wrapping is of the type used by Medellin Cartel. The international antinarcotics police are conducting an in-depth investigation to find out whether a clandestine drug-processing laboratory may be operating somewhere along the border between Paraguay and Bolivia and those in charge of it may be Colombians living in Bolivia, our source said.

Peru

Court Declares Soviet Fishing Contracts Illegal

PY1310172290 Lima Television Peruana in Spanish 0100 GMT 13 Oct 90

[Text] The Peruvian Supreme Court has ruled in favor of a group of businessmen from the National Fishing Association [Sociedad Nacional de Pesqueria] who asked the court in July 1989 to declare the supreme decrees regulating fishing contracts with the Soviet Union null and void. The Supreme Court has now declared these decrees illegal.

[Begin recording] [Unidentified spokesman] The Supreme Court has overturned these decrees and ruled that the executive branch exceeded its authority by making use of Paragraph 20 [not further identified] and the budget law to legalize these decrees.

[Unidentified reporter] What does this writ of amparo mean? Does it mean that the Soviet Union will have to leave our sea?

[Spokesman] Well, the contracts, lacking legal backing, are definitely null and void as of now. I would imagine that the Soviet Union will be extremely worried because it means they will have to pay back taxes just as any Peruvian private or public company.

[Reporter] How much will that be?

[Spokesman] It is impossible to estimate. We can mention any figure we like. However, without knowing how much they have taken out of Peru, how much has been exported, how many dollars they have taken out, and what their profits are, it will be very difficult to figure out how much they must pay in back taxes.

[Reporter] In your opinion, how much did this contract cost our country?

[Spokesman] As I have already said, there are losses stemming from unpaid taxes....

[Reporter, interrupting] But what about the biomass?

[Spokesman] I was just about to mention it. The real problem is the harm caused to the biomass. In this respect, we must abrogate several agreements. We do not really know what the Soviet fleet is doing beyond 200 miles. Some 20 years ago the biomass in Peruvian waters was estimated at 60 million tons, now the Inarpe [Sea Institute of Peru] is talking about only 15 million tons. [end recording]

Japanese Donate $5 Million for Projects

PY1210172490 Lima EXPRESO in Spanish 4 Oct 90 p 8

[Summary] On 3 October, Peruvian Foreign Minister Luis Marchand Stens and Japanese Ambassador to Peru Masaki Seo signed a document whereby Japan donates more than $5 million to Peru as part of the programs included under nonreimbursable financial cooperation.

The aid will be aimed at implementing irrigation and drainage infrastructure projects in the Chancay-Huaral Valley, and at purchasing equipment for lighting the National Stadium.

Uruguay

President Praises Rio Group, Debt Agreement

PY1310201690 Montevideo Radio El Espectador Network in Spanish 1600 GMT 13 Oct 90

[Excerpt] President Luis Alberto Lacalle expressed his absolute confidence in the new stage begun by the Rio Group, and he stressed the clear and concrete responses that the Caracas summit gave to problems affecting the group.

President Luis Alberto Lacalle made these remarks upon his arrival at Carrasco International Airport after participating in the Rio Group summit in Caracas, Venezuela.

The president characterized the news that Uruguay had reached an agreement with creditor banks to restructure the country's foreign debt as the most important news of the year. [passsage omitted]

Economic Team, Private Creditors Reach Agreement

PY1310153490 Montevideo Radio El Espectador Network in Spanish 1100 GMT 13 Oct 90

[Text] Our country will have three options for reducing its foreign debt now that an agreement has been reached by economic team members and the creditor banks' advisory committee.

As President Luis Alberto Lacalle affirmed in Caracas, where he is participating in the Rio Group summit, it is an agreement for voluntary reduction of the Uruguayan foreign debt. He also confirmed that there was an agreement on debt reduction principles.

One option is to swap current debt notes for 30-year maturity debt papers. Another option is to obtain fresh money at a LIBOR [London interbank offered rate] plus one interest rate, with a 15-year grace period. The third option is for Uruguay to repurchase its own debt notes at prices to be determined; prices which, President Lacalle indicated, might be pegged to debt note prices on the secondary market—less than 50 cents to a dollar at this time. According to President Lacalle, the possibility of repurchases is open, and it only remains for Uruguay to indicate the price it wants for repurchases.

The president noted that the negotiating team's effort was widely recognized in world financial circles, which are fraught with difficulties. The proportion of the $1.6-billion debt to commercial banks that will be reduced and renegotiated under the aforementioned terms should be known by the end of the year.

Of the options available to Uruguay, President Lacalle said he prefers the repurchase option.

Second-Quarter Decline in GDP Reported

PY1310013090 Montevideo BUSQUEDA in Spanish 4 Oct 90 p 25

[Summary] The Uruguayan Central Bank has reported that the GDP fell by 1.2 percent during the second quarter of this year; in the same period in 1989 it grew by almost five percent. The decline in GDP during the second quarter practically offset growth during the first quarter of the year. The GDP for the first half of the year increased by only 0.4 percent.

Fiscal Surplus Reported in August

PY1110152990 Montevideo BUSQUEDA in Spanish 4 Oct 90 p 24

[Summary] The Central Bank has reported that the central government account registered a surplus of 120 million new pesos in August. This is the difference between revenues of 144.587 billion new pesos and expenditures of 144.466 billion new pesos.

Inflation Rate for September Announced

PY1110152590 Montevideo EL DIA in Spanish 4 Oct 90 p 22

[Summary] The Statistics and Census General Directorate (DGEC) has reported that the inflation rate for September totals 14.66 per cent. The accumulated inflation rate for this year totals 93.74 percent

French Guiana

Ariane Rocket Launched With U.S. Satellites

PA1210235690 Hamburg DPA in Spanish 2307 GMT 12 Oct 90

[Text] Kourou, 12 Oct (DPA)—A European Ariane rocket was launched this evening on the hour from the Kourou base in French Guiana.

The rocket, which will put two U.S. telecommunications satellite into geostationary orbit, blasted off shortly before midnight (2300 GMT).

This was the 39th flight of an Ariane rocket.

Further on Satellite Launch

LD1310090790 Paris Domestic Service in French 0700 GMT 13 Oct 90

[Text] An Ariane rocket which was successfully launched last night put two telecommunication satellites into orbit. This is the third successive Arianespace success. Within the next two days, the two satellites will reach their final geostationary oribt at approximately 37,000 km. They willl provide telephone and television transmissions to northern America and the Caribbean.

Guyana

Government, Opposition Criticize Voters List

FL1110171590 Bridgetown CANA in English 1538 GMT 11 Oct 90

[Text] Georgetown, Guyana, Oct 11, CANA—Guyana's elections commission was on Thursday reviewing a voters list that has drawn heavy fire from both government and opposition politicians. Chairman of the commission, Sir Harold Bollers, said he has noticed that "the preliminary list contains several errors of a serious nature," and he was very concermed about these.

President Desmond Hoyte and his ruling People's National Congress (PNC) on Wednesday joined in the growing criticism of deficiencies in the preliminary voters' list published here last week. The official Guyana Public Communications Agency (GPCA) said Hoyte was "extremely perturbed over the extensive deficiencies that have been clearly identified" in the list.

"The President, in the circumstances, considers that the list, in its present form, does not constitute a proper basis for the holding of elections and as a consequence, has decided to speak to the nation on this matter Friday night," GPCA said. The agency's statement came amidst growing opposition condemnation of the list. In a joint statement, opposition parties said the list was a "sinister concoction spawned by the PNC."

The statement issued by the four opposition parties grouped under the Patriotic Coalition for Democracy (PCD) in collaboration with Guyanese Action for Reform and Democracy (GUARD) and the United Republican Party (URP) said the opposition's joint demand is that the list be scrapped and a new house-to-house enumeration be commenced immediately.

Sir Harold said the responsible officers of the National Data Management Authority (NDMA) which has been contracted to produce the computerised list and the commissioner of registration have been invited to attend Thursday's meeting to explain how the errors occurred.

General manager of the NDMA is also scheduled to meet with the press late Thursday to explain how the errors occured. Problems with the list include inadequate addresses, the inclusion of the names of dead persons, and the omission of the names of persons formally registered and eligible to vote.

Meanwhile, Commissioner of Registration Ronald Jacobs told CANA his office delivered to opposition parties on Wednesday lists of the names of more than 5,000 dead persons which should have been deleted from the published list.

Officials 'Worried' About Comments

FL1210180090 Bridgetown CANA in English 1620 GMT 12 Oct 90

[Text] Georgetown, Guyana, Oct 12, CANA—Guyana Government officials on Friday appeared worried about comments former U.S. President Jimmy Carter made as he prepared to fly here in connection with a proposal to monitor the coming general election.

"We expect to be able to accept the invitation to observe the elections, but first we need to learn more about the process and be assured that the election will be free, open, and honest," Carter had said. The official Guyana Public Communications Agency (GPCA) quoted an unnamed government spokesman as saying the statement leaves the unfortunate impression that Carter is beginning his visit here—at the invitation of the government—with preconceived ideas about Guyana.

"This is viewed with some disappointment and concern," the spokesman said. Carter was due in Guyana Friday amidst preparation for a poll that must be called by the end of next March. His visit comes against the backdrop of complaints by government and opposition politicians about a preliminary voters list said to contain the names of more than 5,000 dead persons.

Opposition People's Progressive Party [PPP] member of the Guyana Elections Commission, Clement Rohee, has called for the scrapping of the controversial preliminary voters' lists published here last week. Rohee also repeated PPP calls for the resignation of commission chairman, Sir Harold Bollers. He told journalists at a press conference that even though the commission "ostensibly, now has powers" as a result of the recent passing of the Election Laws (Amendment) Bill 1990, in the National Assembly, the commission "nevertheless, remains powerless and impotent."

"How could it be otherwise when the composition of the commission remains loaded in favour of the ruling party?" he asked in a prepared statement. The three-member commission includes a chairman appointed by the president and one member each nominated by the ruling People's National Congress (PNC) and the PPP—the only two parties with more than five seats in the National Assembly.

Rohee alleged that of the ten registrars and 57 deputy registrars appointed recently to fulfill functions in respect of the preliminary voters' lists, nine registrars and 26 deputy registrars are "known activists of the ruling party. These persons," he said, were "associated with questionable electoral practices" in previous elections; were neither interviewed nor employed by the Elections Commission; and were, therefore, not accountable to the commission.

He had opposed their names when they were submitted to the commission for approval but his objections were not heeded, he reported. Rohee said that for these and

other reasons, he opposed from the beginning the extraction of a voters list from the national register "which is exclusively under the control of the chief elections officer." The People's National Congress has written the head of the Elections Commission complaining about several "serious errors" identified on the preliminary voters list.

The party complained:

—some lists had been printed without geographic descriptions, thus leading to confusion as to whether registrants are properly listed;

—names which appeared on the final 1985 list were now missing;

—the list apparently repeated names with different identification numbers in the same division;

—the list seemed not to reflect the claims for entry filed during preparations for the recent municipal elections in the respective towns;

—the list seemed incomplete given the population density of some areas; and,

—some lists carried incomplete addresses of registrants.

President Desmond Hoyte held another round of talks with opposition leader Dr. Cheddi Jagan Thursday as they prepared for the elections. The state-owned CHRONICLE newspaper reported that the two leaders had further discussions on an electoral accord they had agreed to sign, and on "other matters relating to the forthcoming general election." It quoted a release from the office of the president as saying Hoyte and Jagan agreed to meet again. Hoyte had indicated a week ago that he had received a draft of the electoral accord from attorney general and minister of legal affairs, Keith Massiah, and the draft would be forwarded to Jagan.

Hoyte who is leader of the PNC, and Jagan who heads the PPP, had agreed at a September 24 meeting to sign an electoral accord aimed at ensuring that the elections campaign would be a peaceful one, free from racial incitement, provocative behaviour, violence, and other disruptive conduct which could lead to breaches of the peace.

Hoyte on Preliminary Voters List

FL1310172390 Bridgetown CANA in English 1601 GMT 13 Oct 90

[Text] Georgetown, Guyana, Oct 13, CANA—Guyana's President Desmond Hoyte says he will not announce a date for elections "until a satisfactory preliminary (voters') list has been compiled." He has also promised that if additional legal measures are needed to deal with problems associated with the poll his government will introduce them.

The president's undertakings were given in an an address to the nation Friday night in which he dealt with the controversy the recently published preliminary voters' list has generated here. Hoyte said there could be no doubt that the list has many defects and, "understandably, all the major political parties, including the (ruling) People's National Congress, have lodged complaints about it."

He stressed that his government was not responsible for the errors and other shortcomings of the list, since responsibility for authorising the preparation of the list was transferred recently from a minister of the government to the Elections Commission. Detailing some of what he called "a startling number of errors" found in the list, Hoyte noted that the names of many dead citizens are still listed; the names of many citizens which were on the list as late as April, this year, have been deleted; and, the names of many citizens which were added to the list for last year's municipal elections, did not reappear.

"In many instances, the lot number of the residences of voters was omitted and, strangest of all, the names of all (or most) persons born in the month of December, were expunged from the list," he added.

He said the current list "cannot be a satisfactory basis for compiling the electoral roll unless it is corrected in a thorough and completely satisfactory manner." Whatever needs to be done was a matter for the Elections Commission, its officials at the National Registration Centre, and the officials at the National Data Management Authority (NDMA) which has been contracted to computerise the list, Hoyte asserted.

It was possible that corrective action would entail administrative, technical, and legal measures, he said. But while his government has no jurisdiction over the Elections Commission and has no right to intrude in the commission's affairs or officiously proffer any advice, if there was need to amend existing legislation or promulgate new laws to facilitate any necessary corrective measures, the minister of home affairs "will act with the utmost expedition once the advice has been tendered by the Elections Commission," Hoyte said.

It was "absolutely important that no reasonable citizen should be able to take exception to the list," he told the nation. "The errors on the list are too many, too serious, and too pervasive. I do not believe that in the time limited for making claims and objections (October 15 and 19 respectively) these can be satisfactorily dealt with.

"The Elections Commission therefore will have to consider, as a matter of urgency, what measures it can take and what additional legal powers, if any, it will require to produce a preliminary list that could command the confidence of all reasonable citizens."

Carter Dismisses Speculation

FL1310175890 Bridgetown CANA in English 1613 GMT 13 Oct 90

[Text] Georgetown, Guyana, Oct 13, CANA—Former United States President Jimmy Carter, who arrived in Guyana late Friday, says he has not come here with any preconceived notions about Guyana's elections. He also said his group has not yet decided whether it will be monitoring Guyana's coming elections.

"My presumption is that this election will be, indeed, open, fair, honest, and free," Carter told journalists shortly after arriving at the Timehri International Airport. "That's the purpose of (my) having been invited in," Carter added.

Carter had said that Guyana was one of three remaining countries in this hemisphere with questionable electoral practices. And a government spokesman reacted by saying the statement left the "unfortunate impression" that Carter was beginning his visit with "preconceived ideas" about Guyana. Carter said everyone who is interested in this hemisphere knows that there have been allegations in the past that elections in Guyana have not been fair.

But he added: "If we participate in this election process, there would be no allegations of this kind from within Guyana and the world will know that not only did the victor in the elections certify the elections to be honest but also those who were defeated. That is the purpose of our election monitoring....

"I don't come in here with any prejudice or any choice among those who have different opinions about the elections."

Earlier, in a brief opening statement, Carter said he was visiting Guyana as chairman of the council of freely-elected heads of government but his group had not yet decided whether they will observe the forthcoming elections. While here, he will meet with President Desmond Hoyte, leaders of the opposition parties, and members of the Elections Commission "to try to ascertain if, indeed, we are convinced that the voter registration, the conduct of elections, the counting of votes, and the tabulation and announcement of votes can be conducted in such a way that international observers can certify that the election is honest and fair and free."

He said should his group come here to monitor the elections it will co-operate with the Commonwealth observer mission which has also been invited to monitor the elections.

GDF Signs Protocol With Venezuelan Army

FL1210230690 Bridgetown CANA in English 2148 GMT 12 Oct 90

[Text] Georgetown, Guyana, Oct 12, CANA—The Guyana Defence Force (GDF) and the Venezuelan Army have signed a protocol which paves the way for the strengthening of relations and for increased co-operation. The protocol is considered one of the clearest indications of markedly improved relations between the two South American countries which in the early 1980s seemed to be heading for war over Venezuela's claim to five-eighths of Guyana's territory.

The territorial controversy is now in the lap of the United Nations secretary general, Javier Perez de Cuellar, who has appointed University Chief Alister McIntyre as good officer to help the two countries resolve the problem.

The protocol signed Thursday by the two armies covers co-operation in training, sports, and culture. It is for an indefinite period; it revives an earlier protocol which was signed by the two armies several years ago and it leaves the door open for future dialogue and evaluation.

Signing on behalf of the GDF was its acting chief of staff, Brigadier Joe Singh, while General Carlos Penaloza, commander of the Venezuelan Army, who ended a two day visit here Thursday, signed on behalf of the Venezuelan Army.